CITY OF RICHARDSON
2022-2023

Annual Comprehensive Financial Report
For Fiscal Year Ended September 30, 2023

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CITY OF RICHARDSON, TEXAS

ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023

Prepared By:
DEPARTMENT OF FINANCE

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Juliet Tosto, CPA

City of Richardson, Texas
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For the Year Ended September 30, 2023

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INTRODUCTORY SECTION

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City Council
September 30, 2023

Mayor
Bob Dubey

Mayor Pro Tem
Place 6
Arefin Shamsul

Place 1
Curtis Dorian
Place 2
Jennifer Justice
Place 3
Dan Barrios
Place 4
Joe Corcoran
Place 5
Ken Hutchenrider

City Manager
Don Magner

March 20, 2024

Honorable Mayor and City Council,

Citizens of the City of Richardson, Texas:

The Annual Comprehensive Financial Report of the City of Richardson (the City), for the fiscal year ended September 30, 2023, is hereby submitted as mandated by both local ordinances and state statutes. These ordinances and statutes require that the City issue an annual report on its financial position and activity, and that an independent firm of certified public accountants audit this report.

Responsibility for both the accuracy of the data, and the completeness and fairness of the presentation, including all disclosures, rests with management. Management of the City is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the City are protected from loss, theft, or misuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. All disclosures necessary to enable the reader to gain an understanding of the City's financial activities have been included.

The City Council selected the firm of Crowe LLP, Certified Public Accountants to audit the financial statements. The independent auditor has issued an unmodified ("clean") opinion on the City's financial statements for the year ended September 30, 2023, and the auditor's report is located as the first page of the financial section of the Annual Comprehensive Financial Report.

Management provides a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City's MD&A can be found immediately following the independent auditors' report.

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CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2023

Profile of the Government

The City, located in North Central Texas, was originally incorporated in 1925, with the first Charter being adopted in 1956 and the latest revision made in November 2015. The City currently has a land area of 28.5 square miles and an estimated population of 122,615. The City is a home rule city and operates under the Council-Manager form of government. Richardson voters simultaneously elect six Council members and a Mayor to represent them every two years. All Council members and the Mayor are elected at large, with four Council members representing each of the City's four districts. Terms of office for all Council positions are for two consecutive years.

The City provides to its citizens a full range of services including police and fire protection, emergency ambulance service, water and sewer service, solid waste disposal, park and recreational activities, cultural events, and a library. In addition, the City provides planning for future land use, traffic control, building inspection, and community services and operates two eighteen-hole golf courses. The City also operates the Charles W. Eisemann Center for Performing Arts and Corporate Presentations, which is a multi-venue performing arts and presentation center. Certain parks and recreation and administrative services are performed by the Richardson Improvement Corporation, which functions as a department of the City of Richardson and therefore has been included as an integral part of the City's financial statements. Additional information on this legally separate entity can be found in the notes to the financial statements (see note 1.a.)

Activities of the general, debt service, water and sewer, solid waste, special revenue, and internal service funds are included in the annual appropriated budget. The City Council is authorized to transfer budgeted amounts within and among departments and ratifies, through the Budget Ordinance, any transfers and/or amendments made by the City Manager. The legal level of control for each budget is at the fund level, which is to say that total expenditures for each fund should not exceed total budgeted expenditures for that fund.

Purchase orders that exceed appropriated balances are not released until they have been further reviewed and approved by the City Manager or his representative. Departmental appropriations that have not been expended by the departments lapse at the end of the fiscal year. Funds that were budgeted and not used by the departments during the fiscal year are not available for their use unless appropriated in the budget of the ensuing fiscal year.

The City maintains an encumbrance accounting system as one technique of accomplishing budgetary control. Encumbrances outstanding at year-end are included within the relevant fund balance classifications based on the purposes to which the encumbrances relate and can be classified as assigned, committed, or restricted fund balances. Encumbrances do not constitute expenditures or liabilities. The commitments will be honored during the subsequent year. The City amends the budget at the end of each fiscal year to provide for additional expenditures or expenses and to provide reductions in other expenditures or expenses, or supplemental revenues to fund such amendments.

Richardson's Place in the Local Economy

The City of Richardson, including its Telecom Corridor® area, is one of the major employment centers in the Dallas-Fort Worth Metroplex ("DFW"). Richardson is a center of economic diversity, with high-quality businesses in a variety of technology and non-technology industries including the financial services, semiconductor, telecommunications, and healthcare sectors, reflecting the area's attractiveness for companies from a wide range of business sectors. Richardson has extensive resources in academia, a highly skilled labor pool, superb transportation assets, infrastructure support, excellent lodging and meeting venues, and major corporate employers which will continue to prove beneficial in the recruitment of new businesses.

Richardson is one of the most conveniently located communities in DFW, with access to points in all directions via two major roadways and the Dallas Area Rapid Transit ("DART") rail system. Central Expressway (U.S. 75), one of the main northbound and southbound arteries of the region, runs through the heart of the community. LBJ Freeway (IH-635) is to the immediate south of the City and the President George Bush Turnpike spans the northern border, giving Richardson residents easy access to the Dallas-Fort Worth International Airport. Richardson residents and businesses also benefit from the DART Light Rail line which parallels Central Expressway and has four existing stations in the City: Spring Valley, Arapaho Center, Galatyn Park and CityLine/Bush. The DART Silver Line is currently under construction with revenue service expected to begin by Fiscal Year 2026. The Silver Line follows the Cotton Belt Regional Rail Corridor, which runs through the northwest portion of the City, running from Plano in the east, through Richardson, and connecting on to DFW Airport where it will connect to the TEXRail Line which runs to downtown Fort Worth. The Silver line will include two stations in Richardson, one at the University of Texas at Dallas and another at CityLine next to the existing Light Rail station and will also feature a hike and bike trail running the entire length of the line.

To take full advantage of these transportation assets for development and redevelopment purposes, the City has implemented three Tax Increment Financing (TIF) Districts. TIF District #1 was established in November 2006, encompassing 1,777 acres including both sides of the U.S. 75 corridor from Campbell Road south to Spring Valley Road, and then extending west from U.S. 75 along Spring Valley Road to Coit Road. The district includes an approximately 1,200-acre area east of U.S. 75 known as the Richardson Innovation Quarter which is more fully described below. TIF District #2, established in November 2011, is bounded by President George Bush Turnpike on the north, Wyndham Lane on the east, Renner Road on the south, and the DART Light Rail line on the west. TIF District #3, established in November 2011, is bounded by President George Bush Turnpike on the north, the DART Light Rail line on the east, Renner Road on the South and has its western boundary between Alma Road and U.S. 75. Dallas County participates financially in TIF District #1 and Collin County participates financially in TIF District #2 and TIF District #3.

TIF District #2 and TIF District #3 collectively include 241 acres that are better known as CityLine. The combined developments include corporate office buildings anchored by State Farm and Raytheon, over 2,500 apartment and town home units, hotels, a wellness office building and fitness

center anchored by Texas Health Family Care and Children's Health Specialty Center, 150,000 square feet of restaurants and retail space, DART Light Rail and Silver Line stations and two City parks with connectivity to regional trails and nature preserves. This unique lifestyle destination balances spaces to live, work and play while the compact layout offers easy access to all its amenities. CityLine is not fully built out, with additional acreage available for the development of more corporate office buildings. Currently, Dallas builder Centre Living Homes is in the process of completing 58 urban-style homes within TIF #3, marketed as The Commons at Spring Creek.

TIF District #1 includes numerous developments as well as the City's CORE District and the Richardson Innovation Quarter. The CORE District encompasses the area starting just west of U.S. 75 near Belt Line Road and continuing east as Belt Line Road transitions to Main Street, ending just east of Richardson's historic downtown. The CORE District includes five distinct destination areas that include Chinatown, Downtown, Heights, Interurban and Lockwood. This area is home to a diverse mix of retail businesses including Lockwood Distilling Company, Happy Hippie Brewing Company, and the first Alamo Drafthouse in the DFW region. Currently under construction, Belt + Main is a mixed-use multi-family development in the Downtown district that will add 430 apartment and townhome units, a parking garage with public spaces, retail and commercial space. The CORE District is also home to the City's Police Headquarters and Fire Station #1. The Richardson Innovation Quarter ("The IQ®") is a 1,200-acre urban hub with a rich heritage of innovation and entrepreneurship generally bounded by U.S. 75, Campbell Road, Plano Road and Apollo Road. With over 1,100 businesses and 20,000 workers, The IQ® is home to technology-related start-ups, manufacturers, nonprofit organizations, corporate research and development, restaurants, multi-family developments and more. Some notable companies with a presence in The IQ® include Digital Realty, Ericsson, Honeywell, Raytheon, and the Texas Blockchain Council. The IQ® "Headquarters", or "IQHQ", is a 27,500-square-foot building in The IQ® that houses six UT Dallas research centers, the City's Economic Development Department and space for programming, networking and events focused on attracting entrepreneurial activity to the area.

Outside of the City's TIF Districts, Richardson's highlights include Texas Instruments' 1.1 million square foot semiconductor manufacturing facility on Renner Road that produces 300-mm analog wafer chips. A second, 300-mm wafer fab is in production and supports the future growth of semiconductors. Richardson is home to the University of Texas at Dallas, with more than 31,000 students enrolled in more than 140 academic programs including top-ranked programs in STEM, management, liberal arts and social sciences majors. The university's STEM programs are a major draw and labor source for the City's high-tech companies. The university continually upgrades its infrastructure through campus reinvestment, ensuring a state-of-the-art experience for students. The university also includes Northside, a public-private partnership that resulted in the development of multi-family housing and retail that added approximately 2,600 beds adjacent to the DART Silver Line rail station. Richardson is also home to the Methodist Richardson Medical Center ("MRMC"). This full-service medical center offers enhanced health care services to residents of Richardson and surrounding communities. MRMC includes two campuses, the primary campus on Renner Road at

President George Bush Turnpike and a secondary campus on West Campbell Road near U.S. 75. Combined, the two facilities have nearly 400 beds and employ over 400 physicians. MRMC is currently constructing an 80,000-square-foot expansion of the emergency department on its primary campus. Phase 1 of the project is complete with Phase 2 underway. The project will add about 25,000 square feet of additional space to treat trauma patients and 17 new suites to its emergency medical department. The remaining new space will be used for a new pharmacy and for additional laboratory services on the campus.

Other Recent Developments

Interurban Common: Construction of an approximately 2.5-acre linear urban park with plaza, seating, landscaping, and food truck space is underway along Interurban between Main Street and Jackson Street across from the Belt + Main development. The project is anticipated to be completed in late 2024.

Allegro MicroSystems: The power and sensing semiconductor tech company opened a Richardson office in the Eastside development within the Richardson IQ®. The Richardson office will act as a sensor and power integrated circuit design center, and the company plans to grow its local workforce over the next few years with hiring in positions such as engineering, design, and product marketing.

Infosys/Spirit AeroSystems: A global leader in next-generation digital services and consulting (Infosys) and the world's largest first-tier aerostructures manufacturer (Spirit AeroSystems) inaugurated the Center for Aerospace Engineering Excellence in Richardson to nurture local talent to meet growing aerospace and defense engineering needs. The Center will enable Infosys and Spirit AeroSystems to develop cross-functional solutions to pressing business challenges in the aircraft development lifecycle and facilitate training, upskilling, and reskilling of talent in digital engineering technologies.

Austin Circuit Design ("ACD"): ACD, an advanced design and manufacturing firm, relocated its headquarters to the Richardson IQ®.

Happy Hippie Brewing Company: Located in the Lockwood area of the CORE District after renovating an existing office building, the brewery and taproom opened in November 2023 with funding support from TIF #1.

Beyond the Bar: The first alcohol-free bottle shop and tasting room in the DFW Metroplex opened in Richardson.

Lookout Logistics Center: Richardson Logistics Center is a three-building industrial campus under construction at the corner of Lookout Drive and Plano Road. Two buildings are complete, totaling 118,893 square feet and 138,003 square feet. The third building totaling 102,273 square feet is expected to be completed in September 2024.

Sherman Lofts: The City Council approved zoning for Sherman Lofts, located within TIF #1 on Spring Valley Road, across the street from DART's Spring Valley Light Rail station. The proposed five-story apartment development will include 373 traditional apartment units, three live-work apartments and a 932 square foot coworking space open to the public. Demolition of an existing structure on the development, located at 111 West Spring Valley Road, began in the summer of 2022 with the project anticipated to be completed by 2026.

Partenope Ristorante: Partentope Ristorante opened in Richardson's CORE district in the fall of 2023. This is the first sit-down, full-service restaurant opened in Richardson's downtown area since major planning and redevelopment efforts were launched by the City. The downtown Richardson location is Partenope's second location, with the first in downtown Dallas widely known for its Southern Italian authentic experience, serving pizzas that have achieved the Vera Napoletana (VPN) certification, signifying it meets the true Neapolitan-style standard.

The Caroline Eastside: Hunt Companies Inc. is developing a 384-unit apartment complex next to The Mallory Eastside, off of the Central Trail that runs along the DART rail line. The apartments will include a mix of one, two, and three-bedroom units and studios along with a coworking space, clubhouse, two-story gym, dog park, rooftop lounge, spa, pool, lounge area and game room. The first residents are expected to move in by early 2025.

Alamo Draft House Richardson: Upon signing a 10-year lease extension, Alamo Draft House is investing over $1M in improvements to its Richardson location to include seat, technology, and cosmetic upgrades for customers.

Celestica: Local contract manufacturer, Celestica, has redeveloped 30,000-square-feet of its Richardson facility in collaboration with a major U.S. technology company to produce the augmented reality goggles for the defense industry. The three-year contract will create an estimated 155 new employment positions.

MCI Diagnostic Center: MCI Diagnostic Center expanded its Richardson operations in the Richardson IQ in 2023 by adding 75,000 square-feet of space to its National Clinical Diagnostic Laboratory. MCI provides laboratory testing services to governmental entities.

McCarthy Building Cos. Inc.: McCarthy Building Cos. moved its Dallas office to Richardson's CityLine development in 2023. The office serves as the headquarters for McCarthy's parent company, Genuine McCarthy Enterprises, as well as McCarthy's new civil business unit focused on civil construction projects. The move enabled McCarthy to expand operations, with plans to hire an additional 150 employees to support the growing business.

Tax Abatements and Economic Incentives

Many of the developments mentioned in the previous section were made possible by economic development agreements designed to promote development and redevelopment within the City, stimulate commercial activity, generate additional sales tax or enhance the property tax base and economic vitality of the City. More details on these programs are available in Note 16 of this document and at www.cor.net/transparency. At any time, the City has numerous active incentive agreements. The only material agreement under the City's incentive program is the tax abatement and related Chapter 380 agreement with Texas Instruments. This agreement resulted in the abatement of $1,718,404 in taxes and the reduction of water and sewer charges of $10,100,557 in Fiscal Year 2023. In Fiscal Year 2004, the year prior to construction of the Texas Instruments facility, the City received $75 in property taxes on the undeveloped land. Net of the abatement, the City received $5,559,481 in property taxes and $15,210,379 in water and sewer revenues in Fiscal Year 2023. Texas Instruments is the number one water consumer in the City. Additionally, Texas Instruments chose to increase its Richardson presence by the current expansion of their manufacturing facility. None of this investment would have been possible without economic incentives.

Long-term Financial Planning

The $42,700,823 unassigned fund balance in the General Fund is the equivalent of 90.86 days of expenditures and transfers on a budgetary basis. During Fiscal Year 2015, the City Council expressed a desire to strategically increase the year-end fund balance of the General Fund. At that time, fund balance stood at 60.5 days, slightly in excess of the formal policy requirement of 60 days. Since that time, through the strategic utilization of year-end savings, one-time revenues from major construction permits and greater than budgeted sales tax revenues, the City has increased fund balance to the current level. During the Fiscal Year 2022 budget adoption, the City Council formally increased the fund balance requirement for the General Fund to 90 days. The City continues to transfer fund balance in excess of 90 days for future capital needs and cash funded maintenance initiatives. In addition, the City utilizes fund balance in excess of minimum requirements to enhance the capital improvements program. During FY23, $15,375,000 from the General Fund and $900,000 from the Hotel/Motel Fund were transferred to the Capital Projects Fund.

On an annual basis, the City studies a five-year plan for evaluating tax rates and utility rates as they relate to debt financing for capital needs and the operating costs of providing services to citizens. As part of these evaluations, the City now budgets a portion of property tax receipts for recurring transfers for street and alley rehabilitation ($6,514,658), neighborhood park maintenance ($465,333), economic development ($1,395,998), facility maintenance ($465,333) and general vehicle and equipment replacement ($4,839,460). All in, these recurring transfers provided $13,680,782 for funding community needs on a pay-as-you-go funding strategy.

Major Initiatives

In November 2021, citizens approved a $190 million, five-year General Obligation bond program. The program includes $102 million for various street and alley improvements, $64 million for renovations of public buildings including the Library and City Hall, $8.5 million for sidewalks, $8 million for drainage improvements, and $7.5 million for various park improvements including the activation of two undeveloped properties.

Due to a fire at City Hall on August 22, 2022, in May 2023, citizens approved a $46 million bond program to rebuild Richardson City Hall on Arapaho Road. The first issuances for this project for design will be sold in the Spring of 2024.

After the issuance of $47,905,000 of the 2021 authorization in May 2023, the City has $158,375,000 as authorized but unissued from both the 2021 and 2023 authorizations.

Richardson was also not immune to operational and economic considerations caused by continued inflation and rising interest rates, changes in consumer behavior, competition for attracting and retaining talent, and persistent problems with the global supply chain. Through it all, City staff has continued to execute on our collective mission to provide excellent services and programs to the residents and stakeholders of Richardson. The FY 2023-2024 budget builds on these core efforts through three key focus areas that include Recruitment and Retention, Public Safety, and Infrastructure.

Other initiatives include:

- In May 2023, residents selected a new Mayor and two new Council Members. The Mayor and City Council approved their two-year statement of goals plan in December 2023. The Council supports its City staff by providing the resources, direction, and guidance that enables the City Manager to implement the operational and tactical aspects of our vision, goals, and strategies.

- City staff, led by the Finance, Human Resources, and Information Technology Departments, implemented Tyler Munis Human Capital Management Module. This software package replaced a legacy system that had been installed in December 1990. Future installations will replace legacy software for Utility Billing, Code Enforcement and Building Inspection applications.

- American Rescue Plan funding: The United States Congress passed the American Rescue Plan Act (“ARP”) in early 2021. The City received $18.29 million from this program. Approximately $8.5 million of these funds are being used as revenue replacement and are being used to fund the reconstruction of Custer Road between Campbell Road and Arapaho Road. The remainder of the ARP funds are being used to support enhancements to the City’s water system, including construction of a new 15-million-gallon per day pump station, a 5-million-gallon ground storage tank and related waterlines and infrastructure. This project will improve the water system’s capacity and overall reliability and funds will be expended by the funding deadlines.

CITY OF RICHARDSON, TEXAS

Transmittal Letter

September 30, 2023

Awards and Acknowledgments

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its Annual Comprehensive Financial Report for the fiscal year ended September 30, 2022. This was the forty-seventh year that the City received this prestigious award. In order to be awarded a Certificate of Achievement, a municipality must publish an easily readable and efficiently organized Annual Comprehensive Financial Report. This report satisfied both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We also believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the accounting division and finance department staff. Each member of the department has our sincere appreciation for the long hours and contributions made in the preparation of this report. Special thanks are extended to all members of the City Council for their leadership and support of sound fiscal management.

Sincerely,

Don Magner
City Manager

Kent Pfeil, CGFO
Chief Financial Officer

Anita Cothran, CGFO
Director of Finance

Herman Chavez, CPA
Controller

CITY OF RICHARDSON, TEXAS

PRINCIPAL OFFICIALS

SEPTEMBER 30, 2023

CITY COUNCIL

BOB DUBEY, MAYOR

AREFIN SHAMSUL, MAYOR PRO TEM

DAN BARRIOS

JOE CORCORAN

CURTIS DORIAN

KEN HUTCHENRIDER

JENNIFER JUSTICE

CITY MANAGER

DON MAGNER

CHIEF FINANCIAL OFFICER

KENT PFEIL

ASSISTANT CITY MANAGERS

MICHAELA DOLLAR

DANNETTE GARCIA

CHARLES GOFF

DIRECTOR OF FINANCE

ANITA COTHRAN

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

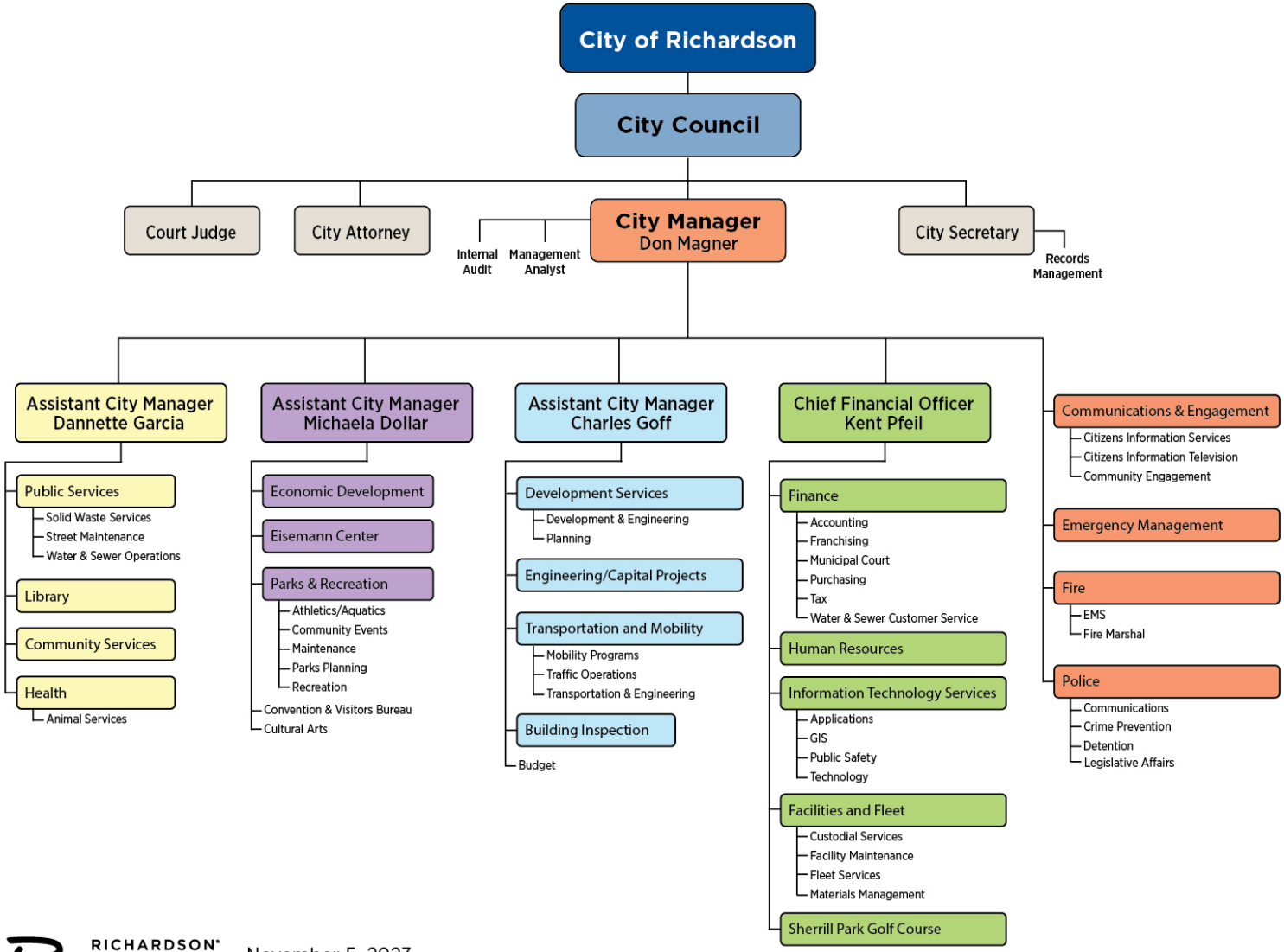
City of Richardson
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

September 30, 2022

Christopher P. Morrill

Executive Director/CEO



RICHARDSON TEXAS November 5, 2023

FINANCIAL SECTION

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AUDITOR'S REPORT

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INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and Members of City Council,
Richardson, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Richardson (the "City"), as of and for the year ended September 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of September 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matters

As discussed in Note 1 to the financial statements, during the year ended September 30, 2023, the City adopted new accounting guidance, GASB Statement No. 96, *Subscription-Based Information Technology Arrangements.* The adoption resulted in recording a subscription payable and a right-of-use subscription asset. There was no impact to net position or fund balance as of October 1, 2022 as a result of adoption. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

(Continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the *Management's Discussion and Analysis, Budgetary Comparison Schedule – General Fund, Budgetary Comparison Schedule – Hotel-Motel Fund, Schedule of Changes in Total OPEB Liability and Related Ratios, Schedule of Pension Contributions,* and *Schedule of Changes in Net Pension Liability and Related Ratios* on pages 21 – 31, 91, 92, 93, 94, and 95, respectively, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The individual and combining fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the individual and combining fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and statistical section but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Crowe LLP

Dallas, Texas
March 20, 2024

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MANAGEMENT'S DISCUSSION AND ANALYSIS

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As management of the City of Richardson (the City), we offer this narrative overview and analysis of the financial activities and financial position of the City for the fiscal year ended September 30, 2023. In the broadest context, the financial well being of a government lies in the underlying wealth and willingness of its citizens and property owners to pay adequate taxes convinced with the vision of the government's elected and appointed leadership to spend those taxes strategically so the City's tax base, service levels, City assets and the City's desirability will be maintained, not just for the current year, but well into the future.

Financial reporting is limited in its ability to provide this "big picture", but rather focuses on financial position and changes in said financial position. In other words, are revenues and/or expenses/expenditures higher or lower than the previous year? Have net position (containing both short and long-term assets and liabilities) or fund balances (the current "spendable" assets less current liabilities) of the government been maintained? We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal (starting on page 1 of this report) and the statistical section, as well as information on the Annual Budget and other community information found on the City's website at www.cor.net.

It should be noted that the Independent Auditor's Report describes the auditor's association with the various sections of this report and that all the additional information from the website and other City sources are unaudited and have not been updated for events that may have occurred subsequent to the issuance of the respective report.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows at September 30, 2023, by $443,464,387 (net position). The majority of the City's net position are invested in capital assets ($309,999,407) or restricted for specific purposes ($89,380,630). The remaining ($44,084,350) is unrestricted and may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fiscal policies.
- The City’s total net position increased by $74,793,406. The primary reasons are an increase in water & sewer sales, investment earning, and sales tax collections. Additional details are provided in the "Financial Analysis of the City as a Whole."
- At September 30, 2023, the City’s governmental funds reported combined ending fund balances of $278,627,605. The unassigned fund balance of $42,700,823 in the General Fund represents 24.8% of total General Fund expenditures and transfers out.
- Principal balances of the City’s total long-term debt increased by 14.42%, having a net increase of about $63,916,000 during the current fiscal year (see Table 4). Additional information on the City’s long–term debt can be found in Notes 9-13 of the financial statements.
- The deferred outflows of the City increased by $40,632,180 or 186.9% during the fiscal year. This change is due to the change in the deferred outflows related to the pension liability.
- The deferred inflows of the City decreased by $26,733,405 or 42.2% during the fiscal year. This change is due to the net changes in the deferred inflows related to the pension and OPEB liabilities.
- The City implemented GASB Statement No. 96, Subscription Based Information Technology Agreements (SBITA). As part of implementing the standard, the City added $6,785,528 in SBITA assets and $6,735,171 in SBITA obligations on October 1, 2022.
- The total ad valorem rate for the City was $0.56095 for fiscal year 2023. This tax rate supports debt service, operations and maintenance, and bond programs to construct infrastructure and city facilities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of four parts; management's discussion and analysis (this section), basic financial statements, required supplementary information and combining statements for nonmajor governmental funds and internal service funds.

The basic financial statements include two kinds of statements that present different views of the City:

- The first two statements are Government-Wide Financial Statements that provide information about both the short term and long-term financial status of the City as a whole.
- The remaining statements are Fund Financial Statements that focus on individual parts of the City's government, reporting the City's operations in more detail than the Government-Wide statements.
    - ◊ The Governmental Fund Statements take a short-term view and demonstrate how general government services like public safety were financed during the course of the fiscal year.
    - ◊ The Proprietary Fund Statements offer both short-and-long term financial information about the activities the government operates like businesses, such as the water and sewer system.

The financial statements also include notes that explain information in the financial statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements. In addition to these required elements, we have included a section with combining statements that provide details about our nonmajor governmental funds and internal service funds, each of which are added together and presented in single columns in the basic financial statements.

Government-Wide Financial Statements. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements are designed to provide readers with a broad overview of the City's finances in a manner similar to a private-sector business. Both are prepared using the economic resources focus and the accrual basis of accounting, meaning that all the current year's revenues and expenses are included regardless of when cash is received or paid.

The Statement of Net Position presents information on all of the City's assets and liabilities, including capital assets and long-term obligations. The difference between the two is reported as net position. Over time, the increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating. Other indicators of the City's financial position should be taken into consideration, such as the change in the City's property tax base and condition of the City's infrastructure (i.e., roads, drainage systems, water and sewer lines, etc.), in order to more accurately assess the overall financial condition of the City.

The Statement of Activities presents information showing how the City's net position changed during the most recent fiscal year. It focuses on both the gross and net costs of the government's various activities and thus summarizes the cost of providing specific government services. This statement includes all current year revenues and expenses.

The Statement of Net Position and the Statement of Activities divide the City's activities into two types:

- *Governmental Activities.* Most of the City's basic services are reported here, including general government, police and fire protection, emergency ambulance service, planning for future land use, traffic control, building inspection, public health, neighborhood integrity, park and recreational activities, cultural events, and library. Property taxes, sales taxes, and franchise taxes provide the majority of the financing for these activities.
- *Business-Type Activities.* Activities for which the City charges customers a fee to pay most or all of the costs of a service it provides are reported here. The City's business-type activities include water distribution and wastewater collection and solid waste collection and disposal.

Fund Financial Statements. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. These statements focus on the most significant funds and may be used to find more detailed information about the City's most significant activities. All of the funds of the City can be divided into two categories: governmental funds and proprietary funds.

OVERVIEW OF THE FINANCIAL STATEMENTS

- *Governmental Funds.* Governmental funds are used to account for the majority of the City's activities, which are essentially the same functions reported as governmental activities in the government-wide statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

  The focus of the governmental funds financial statements is narrower than that of the government-wide financial statements. Therefore, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison. These reconciliation's explain the differences between the government's activities as reported in the government-wide statements and the information presented in the governmental funds financial statements.

  The City reports 22 individual governmental funds. Information is presented separately in the governmental funds Balance Sheet and in the governmental funds Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund, the Debt Service Fund, the Capital Fund, and the Federal Grant Fund, all of which are considered to be major funds. Data for the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of the nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

- *Proprietary Funds.* When the City charges customers for services it provides, the activities are generally reported in proprietary funds. The City maintains two different types of proprietary funds: enterprise funds and internal service funds.

  Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water and sewer operations, solid waste collection and disposal services. These services are primarily provided to outside, or nongovernmental, customers.

  Internal service funds accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its warehouse, mail and records management operations, for its employee health insurance program and for replacement of legacy IT systems. Because these services predominantly benefit governmental-type functions rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

  Proprietary fund financial statements provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the water and sewer operations and solid waste collection and disposal. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report.

Notes to the Financial Statements. The notes provide additional information that is essential to gain a full understanding of the data provided in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, the City adopts an annual appropriated budget for its General Fund, Hotel/Motel Tax Fund and Federal Grants Fund. A budgetary comparison schedule has been provided for each of these major funds to demonstrate compliance with this budget. This report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and healthcare benefits to its employees and retirees. The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the required supplementary information on pensions and healthcare, along with related budgetary comparison schedules for the Debt Service Fund and the nonmajor governmental funds.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Net Position. Total assets at September 30, 2023 were $1,159.3M, deferred outflows of resources of $62.4M, total liabilities of $741.7M and deferred inflows of resources were approximately $36.5M resulting in a net position balance of $443.5M a 20.3% increase over the previous year (see Table 1).

The largest portion of net position reflects its investment in capital assets (land and improvements, public art, buildings, infrastructure, vehicles, machinery, and equipment), less any related outstanding debt used to acquire those assets. The City uses these assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports its capital assets net of related debt, the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of net position represents resources that are subject to external restrictions on how they may be used. The City's unrestricted net position of $44.1M (10%) reflects general resources that may be used for any lawful purpose. The government's overall net position increased approximately $74.8M over the prior fiscal year. The reasons for the overall increase is discussed in the following sections for governmental activities and business-type activities.

Table 1
City of Richardson
Net Position
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022-2023
Current and other assets	$ 346,554	$ 268,499	$ 120,564	$ 92,771	$ 467,118	$ 361,270	29.3 %
Capital assets	561,481	520,679	130,728	113,564	692,209	634,243	9.1 %
Total assets	908,035	789,178	251,292	206,335	1,159,327	995,513	16.5 %
Total deferred outflows of resources	52,553	18,382	9,811	3,349	62,364	21,731	187.0 %
Other liabilities	43,333	46,965	33,209	12,962	76,542	59,927	27.7 %
Long term liabilities	555,105	437,764	110,032	87,601	665,137	525,365	26.6 %
Total liabilities	598,438	484,729	143,241	100,563	741,679	585,292	26.7 %
Total deferred inflows of resources	32,166	55,395	4,380	7,885	36,546	63,280	(42.2)%
Net Position:							
Net investment in capital assets	258,618	237,511	51,381	54,163	309,999	291,674	6.3 %
Restricted	61,655	30,114	27,726	36,178	89,381	66,292	34.8 %
Unrestricted	9,711	(189)	34,374	10,894	44,085	10,705	311.8 %
Total net position	$ 329,984	$ 267,436	$ 113,481	$ 101,235	$ 443,465	$ 368,671	20.3 %

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Changes in net position. The City's total revenues increased by 16.0% to approximately $394.9M (see Table 2). The State of Texas only provides limited support to municipalities, so the majority of the City's revenues are generated through local taxes and fees. Approximately 46.5% of the City's revenue comes from local property and sales tax receipts while fees charged for services makes up 37.0% of revenue collected (see Figure 1).

The total cost of all programs and services increased 17.7% to $319.7M (see Table 2). The City's functional expenses cover a range of services with over a third (35.2%) attributed to operations of the City's public utilities and 22.9% attributed to public safety (see Figure 2).

Figure 1 - Sources of Revenue for FY 2023

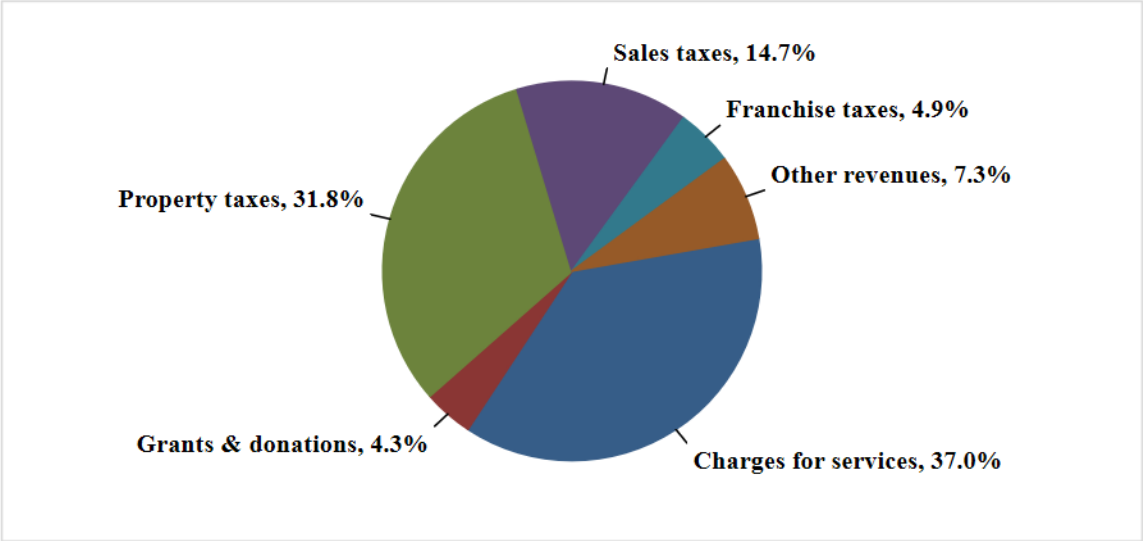
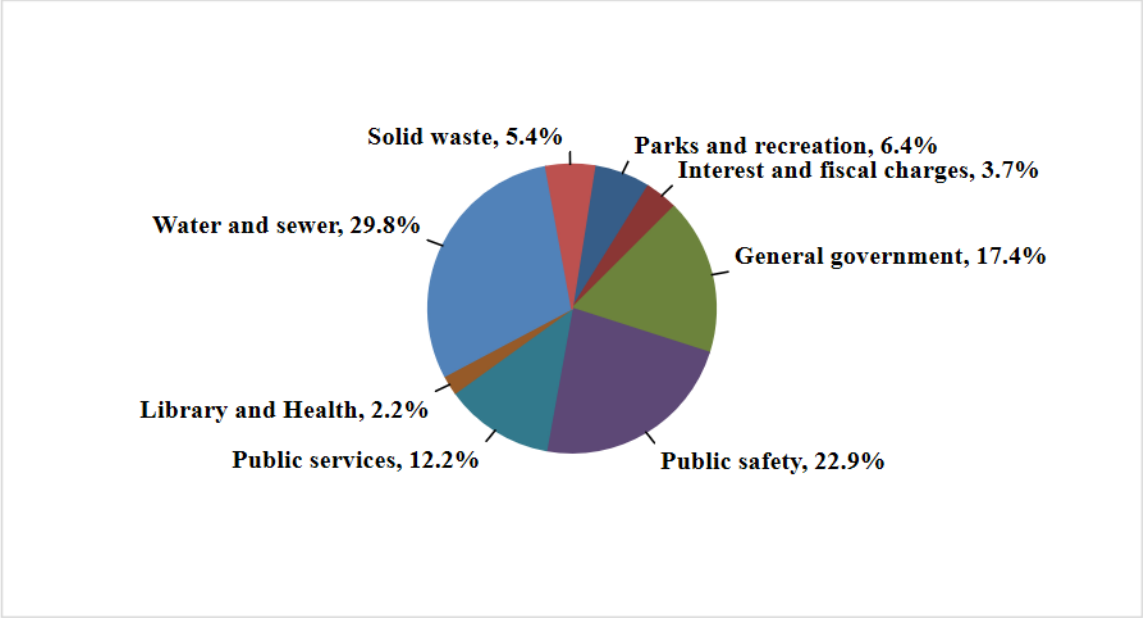


Figure 2 - Functional Expenses for FY 2023



FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Governmental Activities. Net position increased approximately $62.5M. Key revenue and expense transactions are as follows:

- Major revenue increases over the previous year were property tax revenue of approximately $4.6M, and sales tax revenue of $4.7M due to a year-over-year increase in the assessed value of taxable property from $17.7B to $19.8B, favorable outcomes of prior year property tax values in dispute and steady sales tax collections.
- General government expenses increased approximately $14.9M, primarily due to increases in compensation and equipment purchases.

Business-Type Activities. Business type activities increased net position by approximately $12.2M.

Key elements to the change in net position are as follows:

- Water sales were $5.3M greater than the prior year. In FY2023, the area continued to see drought conditions during the summer months, leading to increased residential usage.
- Total operating revenues in the Water and Sewer Fund of $104.9M are $9.0M greater than prior year's actual, with Water Sales having the largest increase from the prior year as described above. Total operating expenses of about $93.6M ended the year $10.5M greater than prior year's actual, with personal services and purchase of water & sewer treatment showing the largest increases from the prior year.
- Total operating revenues in the the Solid Waste Fund finished the year approximately $1.1M greater than the prior year's actual. Total expenses ended the year $3.1M greater than the prior year's actual, with Personal services showing the largest increase.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

Table 2
City of Richardson
Changes in Net Position
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total Percentage Change
	2023	2022	2023	2022	2023	2022	2022-2023
Revenues:							
Program revenues:							
Charges for services	$ 24,821	$ 22,280	$ 121,672	$ 112,146	$ 146,493	$ 134,426	9.0 %
Operating grants and contributions	16,049	3,877	-	-	16,049	3,877	314.0 %
Capital grants and contributions	112	4,177	627	967	739	5,144	(85.6)%
General revenues:							
Property taxes	125,456	120,906	-	-	125,456	120,906	3.8 %
Sales taxes	58,105	53,413	-	-	58,105	53,413	8.8 %
Franchise taxes	19,287	17,975	-	-	19,287	17,975	7.3 %
Mixed beverage tax	788	729	-	-	788	729	8.1 %
Hotel/motel taxes	4,915	3,956	-	-	4,915	3,956	24.2 %
Insurance and other recoveries	7,784	-	-	-	7,784	-	- %
Unrestricted interest earnings	12,484	141	2,804	(52)	15,288	89	17,077.5 %
Total revenues	269,801	227,454	125,103	113,061	394,904	340,515	16.0 %
Expenses:							
General government	55,626	40,753	-	-	55,626	40,753	36.5 %
Public safety	73,276	58,295	-	-	73,276	58,295	25.7 %
Public services	38,986	38,960	-	-	38,986	38,960	0.1 %
Library	4,649	3,627	-	-	4,649	3,627	28.2 %
Parks and recreation	20,398	17,087	-	-	20,398	17,087	19.4 %
Public health	2,392	1,583	-	-	2,392	1,583	51.1 %
Interest and fiscal charges	11,405	12,399	-	-	11,405	12,399	(8.0)%
Water and sewer	-	-	95,681	84,797	95,681	84,797	12.8 %
Solid waste	-	-	17,283	14,062	17,283	14,062	22.9 %
Total expenses	206,732	172,704	112,964	98,859	319,696	271,563	17.7 %
Increase in net position before transfers, contributions and gains	63,069	54,750	12,139	14,202	75,208	68,952	9.1 %
Contributions to permanent fund principal	2	14	-	-	2	14	(85.7)%
Gain on sale of assets	(525)	55	107	150	(418)	205	(303.9)%
Increase in net position	62,546	54,819	12,246	14,352	74,792	69,171	8.1 %
Net position - beginning	267,434	212,617	101,236	86,884	368,670	299,501	23.1 %
Net position - ending	$ 329,980	$ 267,436	$ 113,482	$ 101,236	$ 443,462	$ 368,672	20.3 %

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds. The focus of the City's governmental funds is to provide information on near term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the City's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined fund balances of approximately $278.6M. Approximately 15.3%, or $42.7M, constitutes unassigned fund balance, which is reported in the General Fund. The remainder of fund balance, $235.9M or 84.7% is not available for general spending.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

The General Fund is the chief operating fund of the City. As a measure of the General Fund's liquidity, it may be useful to compare both the unassigned fund balance and total fund balance to total fund expenditures and transfers out. Unassigned fund balance represents approximately 24.8% of total General Fund expenditures and transfers out, while total fund balance represents 25.7% of total General Fund expenditures and transfers out.

The General Fund's fund balance had an increase of approximately $3.0M. Overall, revenues in the General Fund increased by about $14.4M, or 9.1%, with the largest increase being sales tax of approximately $4.7M or 8.8%. None of the respective expenditure categories had a significant fluctuation as total expenditures increased by approximately $11.7M or 8.9%. The City continued its emphasis on Public Safety initiatives with increased spending over the prior year of about $3.7M out of the $11.7M total increase.

The Debt Service Fund has a fund balance of approximately $3.9M, all of which is restricted for the payment of debt. The City's financial policy is to maintain an ending fund balance each year of 30 days of expenditures in the Debt Service Fund.

The fund balance in the Capital Fund ended the year with approximately $189.0M. Restricted fund balance of $115.2M is for future capital equipment purchases and construction projects. The fund balance increased $72.9M due to the timing of acquisition/construction of capital assets, the issuance of debt, and transferring $29.2M from the General Fund ($27.2M), Hotel/Motel Fund ($.9M) and Other Governmental Funds ($.6M) for budgeted cash-financed capital projects and additional community capital needs or future special maintenance initiatives.

The Hotel/Motel Fund has been consistent year to year. The Fund's ending fund balance of approximately $7.5M has been assigned by City Council to be used for the support of its performing arts center and related capital outlay needs. The primary funding source of this fund are taxes collected for lodging, which increased by approximately $959K to $4.9M.

The Other Governmental Funds had a fund balance increase of approximately $9.5M. The TIF ($6.0M increase) and Drainage ($1.2M increase) Funds are the largest contributors of the non-major funds.

Proprietary Funds: The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Factors concerning the finances of the proprietary funds have already been addressed in the discussion of the City's business-type activities.

Unrestricted net position in the Water and Sewer Fund and the Solid Waste Fund at the end of the year amounted to $33M and $(1.4)M respectively. A negative unrestricted net position in the Solid Waste Fund is primarily due to the cost of recording the full value of post-employment benefits that will be funded in future years. The total net position increase of approximately $11.7M in the Water and Sewer Fund is primarily related to strong water sales made possible by the amounts and timing of rainfall. The net position increase in the Solid Waste Fund of $0.4M is the result of an increase of solid waste fees related to a slight increase in commercial rates as well as the ability to keep expenses relatively flat year over year.

General Fund Budgetary Highlights: General Government revenues finished the year approximately $2.4M or 1.4% above year-end estimate. Below are the General Government revenue highlights:

- Property Taxes were consistent to the final budgets, only a $.719M variance of the final budget.
- Sales and other business tax revenue finished the year $2.3M over the year-end estimate of $57.6M on a budgetary basis which was an increase of $8.1M from the original budget due to ongoing strong collections and inflation.

General Government expenditures, including amounts encumbered prior to year-end but excluding transfers out, finished the year $4.7M below year-end estimates. The overall positive variance in General Government expenditures was due to the following:

- The largest savings came in public safety at $1.2M, followed by $.67M in public services and $0.3M in general government. The majority of these savings can be attributed to staffing challenges with various positions open throughout the fiscal year.

CAPITAL, INTANGIBLE RIGHT-TO-USE & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) ASSETS AND DEBT ADMINISTRATION

Capital, Intangible right-to-use and SBITA Assets: The City's investment in capital assets (net of depreciation when applicable) for its governmental and business-type activities as of September 30, 2023, is approximately $692.2M, as shown in Table 3. This investment in capital assets includes land, public art, buildings, improvements, vehicles, machinery and equipment, infrastructure, intangible right-to-use, SBITA and construction in progress. The total increase in the City's investment in capital assets for the current fiscal year was approximately $58.0M (9.1%) .

Major capital asset events during the current fiscal year included the following:

- Equipment and vehicle assets acquired totaled $2.2M and completed $2.5M in improvements other than buildings..
- The City entered into lease obligations for assets valued at approximately $8.4M, of which $8.2M is 3-4 year lease and related improvements for the temporary Library and City Hall.
- The City capitalized $6.9 in assets related to SBITA.
- The City completed numerous streets, bridge, sidewalk, alley, drainage, traffic and trail projects totaling approximately $1.1M.
- The Water and Sewer Fund completed approximately $1.5M in projects, which extended and improved the City's Water and Sewer system. The fund also completed over $23.4M of Construction in Progress, leaving an ending Construction in Progress of over $27.9M.

Table 3
City of Richardson
Capital Assets, net of Accumulated Depreciation/Amortization
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	$ 93,645	$ 94,151	$ 424	$ 424	$ 94,069	$ 94,575
Public Art	4,237	4,237	-	-	4,237	4,237
Buildings	128,850	133,489	3,285	3,440	132,135	136,929
Improvements other than buildings	45,483	46,371	1,334	1,435	46,817	47,806
Infrastructure	182,105	192,938	90,604	94,594	272,709	287,532
Vehicles, machinery and equipment	15,989	20,378	6,976	7,563	22,965	27,941
Intangible right-to-use assets	9,287	2,157	148	-	9,435	2,157
SBITA	5,752	-	-	-	5,752	-
Construction in progress	76,133	26,958	27,957	6,108	104,090	33,066
Total capital assets, net	$ 561,481	$ 520,679	$ 130,728	$ 113,564	$ 692,209	$ 634,243

Additional information on the City's capital assets can be found in Note 6 to the financial statements.

CAPITAL, INTANGIBLE RIGHT-TO-USE & SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENT (SBITA) ASSETS AND DEBT ADMINISTRATION

Long-Term Debt: At the end of the current fiscal year, the City of Richardson had total debt outstanding of approximately $507.0M as shown in Table 4. Of this amount, approximately $199.1M represents tax-supported bonds, approximately $170.0M represents self-supported bonds and $32.0M represents discounts/premiums. The other obligations of $105.8M in the governmental activities relates to direct financed purchases (vehicle, golf carts, and EMS equipment), notes payable for a police training facility, TIF economic development grants, a tax note, lease, and SBITA obligations.

Table 4
City of Richardson
Outstanding Debt
(In thousands)

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
General obligation bonds	$ 186,655	$ 167,815	$ 10,165	$ 12,660	$ 196,820	$ 180,475
Certificates of obligation	99,805	73,585	70,240	58,330	170,045	131,915
General obligation bonds from direct borrowings	2,285	4,445	-	-	2,285	4,445
Bond discounts/premium	24,195	19,340	7,811	6,694	32,006	26,034
Total bonds payable	312,940	265,185	88,216	77,684	401,156	342,869
Tax anticipation notes from direct borrowing	5,340	5,605	-	-	5,340	5,605
Financed purchases & other contractual obligations	1,503	1,934	-	-	1,503	1,934
Lease obligations	6,022	2,042	148	-	6,170	2,042
SBITA obligations	6,048	-	-	-	6,048	-
TIF obligations	86,775	90,626	-	-	86,775	90,626
Total outstanding debt	$ 418,628	$ 365,392	$ 88,364	$ 77,684	$ 506,992	$ 443,076

In May 2023, the City issued $92.9M in total debt, including $47.9M in GO bonds, to facilitate its ongoing capital program. In addition, the City recognized SBITA obligations during the year of approximately $5.9M as part of the implementation of GASB 96. Details of these transactions, including the purposes of each issue, can be found in Notes 9-13 to the financial statements.

Table 5
City of Richardson
Authorized but Unissued Debt
September 30, 2023

Election Date	Purpose	Amount Authorized	Amount Previously Issued	Amount Issued 2023 (1)	Authorized But Unissued
November 2, 2021					
	Streets	$102,000,000	$ 14,760,000	$ 29,220,000	$ 58,020,000
	Public Facility	64,000,000	3,925,000	10,675,000	49,400,000
	Sidewalks	8,500,000	3,119,000	2,971,000	2,410,000
	Drainage	8,000,000	6,493,000	507,000	1,000,000
	Parks & Recreation	7,500,000	1,423,000	4,532,000	1,545,000
	Remaining	190,000,000	29,720,000	47,905,000	112,375,000
May 2, 2023					
	Public Buildings	46,000,000	-	-	46,000,000
	Total Remaining	$236,000,000	$ 29,720,000	$ 47,905,000	$ 158,375,000

(1) Includes premium.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The following indictors were taken into consideration when adopting the FY2023-2024 budgets.

- The city's budget presentation for the 2023-2024 fiscal year budget was developed with a focus of continuing the implementation of key City Council tactics, expanded efforts for recruitment and retention, additional funding for public safety personnel and initiatives and continued focus on infrastructure reinvestment. The highlights for select funds are as follows:

- General Fund: The General Fund budget included no change to the City's tax rate of $0.56095 per $100 of valuation. A strong housing market has continued to lead to increased taxable values for both General Fund and Debt Service needs. The budget for property tax revenues has been increased $4.95M to $75.2M. Sales/other taxes was budgeted at $58.4 million, which is $5.9M greater than the FY23 budget. The General Fund budget for FY24 totals $178.1M, an increase of 9.1%, and includes transfer totaling $16.1M for cash-based capital initiatives. Key focus areas for the FY24 General Fund budget include employee recruitment and retention, enhanced public safety initiatives, and a focus on the City's infrastructure.

- Water & Sewer Fund: The North Texas Municipal Water District (NTMWD) wholesale water rate was increased from $3.39 to $3.69 (8.8% increase) per 1,000 gallons and wastewater treatment rates also increased from the City's service providers. The City's total cost for wholesale water was $35M million and the total cost for wastewater treatment was $24M for the fiscal year ended September 30, 2023. The budgeted costs for wholesale water are $40.0M and $27.8M for wastewater treatment in fiscal year 2023-2024, which makes up about 64% of the total budgeted expenses of the Water and Sewer Fund. A rate increase of 3% on water and sewer charges was implemented due to increasing maintenance and capital needs along with increased wholesale costs. Total revenues of the fund are budgeted at $106M and total expenses and transfers are budgeted at $105.06M.

- Solid Waste Fund: The Solid Waste Fund budget includes $18.43M in revenues and $18.21M of expenses. Total revenues are increasing about 3.8% due to a $1 a month increase on residential rates and a 3.0% across the board increase to commercial rates. Landfill expenses account for $2.5M (13.7%) of the total expenses.

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances. Questions regarding any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Director of Finance, P. O. Box 830309, Richardson, Texas 75083-0309.

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BASIC FINANCIAL STATEMENTS

CITY OF RICHARDSON, TEXAS
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-type Activities	Total
Assets:			
Cash and cash equivalents	$ 28,796,260	$ 4,576,893	$ 33,373,153
Investments	287,541,875	30,000,000	317,541,875
Receivables (net of allowances)	13,183,877	14,982,568	28,166,445
Lease receivables	18,075,389	2,016,122	20,091,511
Inventories	811,423	1,446,815	2,258,238
Prepaid items	118,899	-	118,899
Deposits	167,500	-	167,500
Property held for redevelopment and resale	274,020	-	274,020
Restricted assets:			
Cash and cash equivalents	-	64,993,453	64,993,453
Escrow deposits	129,063	-	129,063
Receivables (net of allowances)	-	4,006	4,006
Internal balances	(2,544,037)	2,544,037	-
Nondepreciable and depreciable/amortizable:			
Nondepreciable	174,015,325	28,380,310	202,395,635
Depreciable/amortizable (net)	387,465,212	102,347,477	489,812,689
Total assets	908,034,806	251,291,681	1,159,326,487
Deferred outflows of resources			
Pension contributions, investment experience and assumptions	46,839,383	8,633,736	55,473,119
Deferred charge on refundings	261,846	196,139	457,985
OPEB contributions, investment experience and assumptions	5,451,483	980,720	6,432,203
Total deferred outflows of resources	52,552,712	9,810,595	62,363,307

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Net Position
September 30, 2023

	Governmental Activities	Business-type Activities	Total
Liabilities:			
Accounts payable	$ 15,479,656	$ 6,273,398	$ 21,753,054
Retainage payable	2,168,324	-	2,168,324
Accrued liabilities	8,706,553	1,501,485	10,208,038
Accrued interest	13,462,706	590,185	14,052,891
Payable from restricted assets:			
Accounts payable	-	4,172,209	4,172,209
Retainage payable	-	1,258,077	1,258,077
Customer deposits	-	4,035,852	4,035,852
Unearned revenue	3,094,751	-	3,094,751
Money held in escrow	420,842	15,377,572	15,798,414
Non-current liabilities:			
Due within one year:			
Bonds, leases, SBITA, and contractual obligations	41,544,091	7,335,412	48,879,503
OPEB liability	1,658,454	273,668	1,932,122
Compensated absences	1,882,358	198,657	2,081,015
Workers' compensation	589,142	82,760	671,902
Unpaid claims liability	977,591	-	977,591
Due in more than one year:			
Bonds, leases, SBITA, and contractual obligations	377,083,822	81,028,755	458,112,577
OPEB liability	40,641,370	6,706,402	47,347,772
Net pension liability	70,289,875	12,666,206	82,956,081
Workers' compensation	4,654,129	-	4,654,129
Compensated absences	15,229,982	1,607,313	16,837,295
Arbitrage liability	553,987	133,284	687,271
Total liabilities	598,437,633	143,241,235	741,678,868
Deferred inflows of resources			
Deferred charges on refundings	3,015,114	46,798	3,061,912
Pension actuarial experience	302,889	409,247	712,136
OPEB assumptions	11,055,318	1,896,249	12,951,567
Deferred inflows related to leases	17,793,036	2,027,888	19,820,924
Total deferred inflows of resources	32,166,357	4,380,182	36,546,539
Net position:			
Net investment in capital assets	258,618,446	51,380,961	309,999,407
Restricted for:			
Capital projects	37,344,610	27,524,653	64,869,263
Debt service	-	201,419	201,419
General government	22,836,751	-	22,836,751
Public safety	1,234,516	-	1,234,516
Endowment			
Expendable	1,763	-	1,763
Nonexpendable	236,918	-	236,918
Unrestricted	9,710,524	34,373,826	44,084,350
Total net position	$ 329,983,528	$ 113,480,859	$ 443,464,387

See accompanying notes to basic financial statements.

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CITY OF RICHARDSON, TEXAS

Statement of Activities

Year ended September 30, 2023

Function/programs:	Expenses	Program revenues: Charges for services	Program revenues: Operating grants and contributions	Program revenues: Capital grants and contributions	Net (expense) revenue and changes in net position: Governmental activities	Net (expense) revenue and changes in net position: Business-type activities	Net (expense) revenue and changes in net position: Total
Governmental activities:							
General government	$ 55,626,292	$ 3,058,043	$ 15,808,678	$ -	$ (36,759,571)	$ -	$ (36,759,571)
Public safety	73,275,926	7,327,076	240,625	-	(65,708,225)	-	(65,708,225)
Public services	38,986,060	6,714,657	-	3,063	(32,268,340)	-	(32,268,340)
Library	4,648,517	17,344	-	-	(4,631,173)	-	(4,631,173)
Parks and recreation	20,398,325	7,182,476	-	108,808	(13,107,041)	-	(13,107,041)
Public health	2,392,075	521,480	-	-	(1,870,595)	-	(1,870,595)
Interest	11,404,752	-	-	-	(11,404,752)	-	(11,404,752)
Total governmental activities	206,731,947	24,821,076	16,049,303	111,871	(165,749,697)	-	(165,749,697)
Business-type activities:							
Water and sewer	95,681,396	104,338,425	-	627,299	-	9,284,328	9,284,328
Solid waste	17,283,157	17,333,445	-	-	-	50,288	50,288
Total business-type activities	112,964,553	121,671,870	-	627,299	-	9,334,616	9,334,616
Total primary government	$ 319,696,500	$ 146,492,946	$ 16,049,303	$ 739,170	(165,749,697)	9,334,616	(156,415,081)
General Revenues:							
Property tax					125,456,407	-	125,456,407
Sales tax					58,104,966	-	58,104,966
Franchise tax					19,287,165	-	19,287,165
Mixed beverage and bingo tax					788,481	-	788,481
Hotel/motel tax					4,915,108	-	4,915,108
Unrestricted interest earnings					12,484,365	2,803,963	15,288,328
Gain/(loss) on sale of assets					(524,919)	106,867	(418,052)
Insurance and other recoveries					7,784,321	-	7,784,321
Contributions to permanent fund principal					1,763	-	1,763
Total revenues					228,297,657	2,910,830	231,208,487
Change in net position					62,547,960	12,245,446	74,793,406
Net position - beginning					267,435,568	101,235,413	368,670,981
Net position - ending					$ 329,983,528	$ 113,480,859	$ 443,464,387

See accompanying notes to basic financial statements

CITY OF RICHARDSON, TEXAS

Balance Sheet - Governmental Funds

September 30, 2023

	General Fund	Debt Service Fund	Capital Project Funds	Hotel/Motel Tax Fund	Other Governmental Funds	Total
Assets:						
Cash & cash equivalents	$ 667,881	$ 3,898,627	$ 425,800	$ 340,542	$ 18,028,860	$ 23,361,710
Investments	44,311,845	-	198,130,030	7,600,000	22,500,000	272,541,875
Receivables (net of allowances)	10,261,183	608,414	1,296,576	479,960	537,744	13,183,877
Lease receivables	466,165	-	-	17,609,224	-	18,075,389
Due from other funds	44,041	-	-	-	-	44,041
Inventories	479,602	-	-	-	-	479,602
Prepaid items	3,636	-	-	59,900	9,105	72,641
Escrow deposits	-	-	129,063	-	-	129,063
Deposits	167,500	-	-	-	-	167,500
Property held for redevelopment	-	-	274,020	-	-	274,020
Total assets	$ 56,401,853	$ 4,507,041	$ 200,255,489	$ 26,089,626	$ 41,075,709	$ 328,329,718
Liabilities:						
Accounts payable	$ 2,334,627	$ -	$ 9,384,688	$ 166,047	$ 2,986,224	$ 14,871,586
Retainage payable	5,252	-	1,466,239	-	696,833	2,168,324
Accrued liabilities	7,616,046	-	3,532	742,224	331,310	8,693,112
Due to other funds	-	-	-	-	44,041	44,041
Unearned revenue	-	-	2,073	267,963	2,824,715	3,094,751
Money held in escrow	-	-	420,842	-	-	420,842
Total liabilities	9,955,925	-	11,277,374	1,176,234	6,883,123	29,292,656
Deferred inflows of resources:						
Unavailable revenue	1,707,334	608,114	-	-	300,973	2,616,421
Deferred inflows related to leases	390,158	-	-	17,402,878	-	17,793,036
Total deferred inflows of resources	2,097,492	608,114	-	17,402,878	300,973	20,409,457
Fund balances:						
Nonspendable:						
Inventory	479,602	-	-	-	-	479,602
Deposits	167,500	-	-	-	-	167,500
Prepaid items	3,636	-	-	59,900	9,105	72,641
Permanent fund principal	-	-	-	-	236,918	236,918
Restricted for:						
Debt service	-	3,898,927	-	-	-	3,898,927
Parks and recreation projects	-	-	11,330,264	-	-	11,330,264
Public services	-	-	34,248,344	-	-	34,248,344
Capital projects	-	-	52,835,204	-	421,392	53,256,596
General government	-	-	16,361,551	-	22,118,771	38,480,322
Public safety	-	-	460,270	-	1,234,516	1,694,786
Committed for:						
General government	-	-	-	-	5,495,646	5,495,646
Public services	-	-	-	-	3,240,334	3,240,334
Parks and recreation	-	-	-	-	1,103,752	1,103,752
Assigned for:						
General government	155,341	-	3,329,974	7,450,614	-	10,935,929
Public services	513,647	-	15,560,585	-	-	16,074,232
Public safety	119,746	-	817,198	-	-	936,944
Parks and recreation	182,682	-	1,725,257	-	31,179	1,939,118
Library	25,459	-	-	-	-	25,459
Other capital projects	-	-	52,309,468	-	-	52,309,468
Unassigned	42,700,823	-	-	-	-	42,700,823
Total fund balances	44,348,436	3,898,927	188,978,115	7,510,514	33,891,613	278,627,605
Total liabilities, deferred inflows of resources, and fund balances	$ 56,401,853	$ 4,507,041	$ 200,255,489	$ 26,089,626	$ 41,075,709	$ 328,329,718

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

September 30, 2023

Total fund balances - governmental funds balance sheet	$ 278,627,605
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, financed purchases, intangible right-to-use assets, and SBITA assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	556,094,208
Other amounts are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	54,326,266
Some amounts will not be recognized as revenue until future periods and therefore are deferred in the funds.	(11,211,835)
A portion of the assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Position.	15,799,014
Long-term liabilities, including bonds payable, leases, accrued interest, and related deferred charges, are not due and payable in the current period and, therefore, are not reported in the fund. (Note 2(a))	(563,651,730)
Net position of governmental activities	$ 329,983,528

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds

Year ended September 30, 2023

	General Fund	Debt Service Fund	Capital Project Funds	Hotel/Motel Tax Fund	Other Governmental Funds	Total
Revenues:						
Property taxes	$ 68,207,732	$ 44,418,778	$ -	$ -	$ 12,608,611	$ 125,235,121
Franchise taxes	19,122,638	-	-	-	164,527	19,287,165
Sales tax	58,104,966	-	-	-	-	58,104,966
Mixed beverage and bingo tax	788,481	-	-	-	-	788,481
Hotel/motel taxes	-	-	-	4,915,108	-	4,915,108
Drainage fees	-	-	-	-	3,228,002	3,228,002
911 revenue	559,524	-	-	-	671,766	1,231,290
Intergovernmental revenue	141,623	-	472,500	-	16,015,748	16,629,871
Licenses and permits	3,111,881	-	-	-	-	3,111,881
Fines and forfeitures	1,833,293	-	-	-	182,562	2,015,855
Interest revenue	3,216,506	144,856	6,131,353	628,950	2,026,601	12,148,266
Eisemann center revenue	-	-	218,115	2,468,361	-	2,686,476
Recreation and leisure	4,063,789	-	-	-	3,095,291	7,159,080
Public safety	3,970,016	-	-	-	-	3,970,016
Contributions	67,899	-	3,063	506	1,763	73,231
Other	705,361	-	177,298	81,719	90,328	1,054,706
General administration charges	9,558,010	-	-	-	-	9,558,010
Total revenues	173,451,719	44,563,634	7,002,329	8,094,644	38,085,199	271,197,525
Expenditures:						
General government	37,001,486	-	6,148,701	6,279,412	2,912,274	52,341,873
Public safety	62,581,152	-	216,423	-	323,430	63,121,005
Public services	22,634,443	-	4,593,471	-	110,412	27,338,326
Library	3,653,206	-	372,982	-	-	4,026,188
Parks and recreation	13,542,489	-	61,492	-	2,482,381	16,086,362
Public health	2,120,485	-	-	-	-	2,120,485
General administration	-	-	-	-	1,317,585	1,317,585
Capital outlay	1,159,003	-	48,902,650	-	14,350,776	64,412,429
Debt service:						
Principal retirement	-	34,830,000	-	-	-	34,830,000
Interest and fiscal charges	3,706	9,364,075	9,162	-	3,934,151	13,311,094
Payments for other obligations	486,488	288,227	44,224	-	3,966,285	4,785,224
Issuance costs	-	-	682,333	-	-	682,333
Total expenditures	143,182,458	44,482,302	61,031,438	6,279,412	29,397,294	284,372,904
Excess (deficiency) of revenues over (under) expenditures	30,269,261	81,332	(54,029,109)	1,815,232	8,687,905	(13,175,379)
Other financing sources (uses):						
Transfers in	700,000	2,919	29,207,325	-	1,425,998	31,336,242
Transfers out	(29,055,782)	-	(32,919)	(900,000)	(1,347,541)	(31,336,242)
Issuance of certificates of obligation	-	-	33,580,000	-	-	33,580,000
Issuance of general obligation bonds	-	-	43,885,000	-	-	43,885,000
Issuance of other obligations	1,089,968	-	4,891,585	-	-	5,981,553
Premium/discount on bonds	-	-	7,541,394	-	-	7,541,394
Insurance and other recoveries	6,844	-	7,784,321	-	-	7,791,165
Proceeds from sale of capital assets	1,750	-	48,197	-	693,605	743,552
Total other financing sources (uses)	(27,257,220)	2,919	126,904,903	(900,000)	772,062	99,522,664
Net change in fund balances	3,012,041	84,251	72,875,794	915,232	9,459,967	86,347,285
Fund balances - October 1	41,336,395	3,814,676	116,102,321	6,595,282	24,431,646	192,280,320
Fund balances - September 30	$ 44,348,436	$ 3,898,927	$ 188,978,115	$ 7,510,514	$ 33,891,613	$ 278,627,605

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities

Year ended September 30, 2023

Amounts reported for governmental activities in the statement of activities are different because:

Net change in fund balances - total governmental funds	$	86,347,285
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation or amortization expense. This is the amount by which capital outlays exceeded depreciation and amortization expense in the current period. (Note 2(b))		36,923,053
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.		(1,783,725)
The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts and similar items when debt is originally issued, whereas these amounts are amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. (Note 2(b))		(50,454,578)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (Note 2(b))		(10,260,398)
Internal service funds are used by management to charge the costs of central services and insurance to individual funds. The net expense of certain activities of the Internal Service Funds is reported with governmental activities.		1,776,323
Change in net position of governmental activities	$	62,547,960

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2023

	Business-type activities-enterprise funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities-Internal Service Funds
Assets:				
Current assets:				
Cash and cash equivalents	$ 1,143,902	$ 3,432,991	$ 4,576,893	$ 5,434,550
Investments	30,000,000	-	30,000,000	15,000,000
Receivables (net of allowances)	13,124,195	1,858,373	14,982,568	-
Lease Receivable	2,016,122	-	2,016,122	-
Inventories	1,446,815	-	1,446,815	331,821
Prepaid items	-	-	-	46,258
Restricted assets:				
Restricted cash	58,821,499	6,171,954	64,993,453	-
Other receivables	4,006	-	4,006	-
Total current assets:	106,556,539	11,463,318	118,019,857	20,812,629
Noncurrent assets:				
Capital assets:				
Land	357,950	65,560	423,510	56,011
Improvements	2,307,353	298,352	2,605,705	23,023
Buildings	9,553,590	405,247	9,958,837	259,990
Water and sewer system	245,430,137	-	245,430,137	-
Vehicles, machinery and equipment	18,934,602	18,734,005	37,668,607	406,987
Intangible right-to-use	181,236	-	181,236	227,136
SBITA assets	-	-	-	5,785,560
Construction in progress	27,956,800	-	27,956,800	-
Less: accumulated depreciation	(179,729,400)	(13,734,354)	(193,463,754)	(599,065)
Less: leases accumulated amortization	(33,291)	-	(33,291)	(8,421)
Less: SBITA accumulated amortization	-	-	-	(764,892)
Total noncurrent assets	124,958,977	5,768,810	130,727,787	5,386,329
Total assets	231,515,516	17,232,128	248,747,644	26,198,958
Deferred outflows of resources				
Pension contributions investment experience and assumptions	4,754,347	3,879,389	8,633,736	543,363
Deferred charge on refunding	196,139	-	196,139	-
OPEB contributions, investment experience and assumptions	535,586	445,134	980,720	37,658
Total deferred outflows of resources	5,486,072	4,324,523	9,810,595	581,021

CITY OF RICHARDSON, TEXAS
Statement of Net Position - Proprietary Funds
September 30, 2023

	Business-type activities-enterprise funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities-Internal Service Funds
Liabilities:				
Current liabilities:				
Accounts payable	$ 6,151,593	$ 121,805	$ 6,273,398	$ 608,070
Accrued liabilities	1,210,214	291,271	1,501,485	13,441
Accrued interest	531,261	58,924	590,185	99
Unpaid claims liabilities	-	-	-	977,591
Current maturities of bonds, leases and contractual obligations	5,900,362	1,435,050	7,335,412	777,567
OPEB liability	150,743	122,925	273,668	10,739
Compensated absences	127,729	70,928	198,657	9,860
Workers' compensation liability	36,893	45,867	82,760	-
Current liabilities payable from restricted assets:				
Accounts payable	4,172,209	-	4,172,209	-
Retainage payable	1,258,077	-	1,258,077	-
Deposits	4,035,852	-	4,035,852	-
Money held in escrow	15,377,572	-	15,377,572	-
Total current liabilities	38,952,505	2,146,770	41,099,275	2,397,367
Noncurrent liabilities:				
Bonds, leases and contractual obligations	75,593,690	5,435,065	81,028,755	4,772,174
OPEB liability	3,694,045	3,012,357	6,706,402	263,180
Net pension liability	6,882,890	5,783,316	12,666,206	778,062
Compensated absences	1,033,442	573,871	1,607,313	79,773
Arbitrage payable	125,441	7,843	133,284	-
Total noncurrent liabilities	87,329,508	14,812,452	102,141,960	5,893,189
Total liabilities	126,282,013	16,959,222	143,241,235	8,290,556
Deferred inflows of resources				
Deferred inflows related to leases	2,027,888	-	2,027,888	-
Pension actuarial experience	293,596	115,651	409,247	48,764
OPEB assumptions	1,028,911	867,338	1,896,249	97,608
Deferred inflows - gain on refunding	40,808	5,990	46,798	-
Total deferred inflows of resources	3,391,203	988,979	4,380,182	146,372
Net position (deficit):				
Net investment in capital assets	49,029,644	2,421,776	51,451,420	158,314
Restricted for:				
Capital projects	25,019,986	2,504,667	27,524,653	-
Debt service	128,117	73,302	201,419	-
Unrestricted	33,150,625	(1,391,295)	31,759,330	18,184,737
Total net position	$ 107,328,372	$ 3,608,450	110,936,822	$ 18,343,051
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			2,544,037	
Net position of business-type activities			$ 113,480,859	

See accompanying notes to basic financial statements.

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CITY OF RICHARDSON, TEXAS

Statement of Revenue, Expenses and Changes in Fund Net Position - Proprietary Funds

Year Ended September 30, 2023

	Business-type activities-enterprise funds			Governmental Activities-Internal Service Funds
	Water and Sewer Fund	Solid Waste Fund	Total	
Operating revenues:				
Water sales	$ 63,853,538	$ -	$ 63,853,538	$ -
Sewer service	38,502,580	-	38,502,580	-
Service fees (other)	69,467	-	69,467	-
Antenna rentals	316,012	-	316,012	-
Meter fees	26,895	-	26,895	-
Solid waste fees	-	16,782,145	16,782,145	-
Charges for services	-	-	-	2,633,764
City and employee contributions - insurance fund	-	-	-	16,636,373
Miscellaneous	2,197,232	551,300	2,748,532	711,153
Total operating revenues	104,965,724	17,333,445	122,299,169	19,981,290
Operating expenses:				
Personal services	8,392,018	6,990,099	15,382,117	2,700,581
Professional and technical services	3,278,430	492,929	3,771,359	927,256
Property services	2,599,633	71,118	2,670,751	161,691
Other purchases services	1,756,471	651,531	2,408,002	87,391
Insurance claims	-	-	-	13,875,861
Purchase of water	35,326,744	-	35,326,744	-
Purchase of sewage treatment	24,088,301	-	24,088,301	-
Solid waste charges	-	3,816,533	3,816,533	-
General administration	4,947,103	2,864,291	7,811,394	-
Franchise fees	5,110,616	838,969	5,949,585	-
Supplies	1,828,039	353,405	2,181,444	270,901
Depreciation	6,270,069	1,157,176	7,427,245	9,928
Amortization	33,291	-	33,291	791,014
Total operating expenses	93,630,715	17,236,051	110,866,766	18,824,623
Operating income	11,335,009	97,394	11,432,403	1,156,667
Nonoperating revenues (expenses):				
Interest revenue	2,487,791	316,172	2,803,963	890,086
Interest expense and fiscal charges	(2,009,902)	(109,830)	(2,119,732)	(100,170)
Issuance costs	(126,043)	(13,660)	(139,703)	-
Other non-operating charges	(7,006)	(1,606)	(8,612)	-
Proceeds from sale of capital assets	6,550	100,317	106,867	-
Total nonoperating revenues	351,390	291,393	642,783	789,916
Income before contributions and transfers	11,686,399	388,787	12,075,186	1,946,583
Change in net position	11,686,399	388,787	12,075,186	1,946,583
Total net position - October 1	95,641,973	3,219,663		16,396,468
Total net position - September 30	$ 107,328,372	$ 3,608,450		$ 18,343,051
Adjustment to reflect the consolidation of Internal Service Fund activities related to Enterprise Funds			170,260	
Change in net position of business-type activities			$ 12,245,446	

CITY OF RICHARDSON, TEXAS
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2023

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities - Internal Service Funds
Cash flows from operating activities:				
Cash received from customers	$ 101,919,345	$ 16,566,724	$ 118,486,069	$ -
Cash received from service users	-	-	-	2,633,764
Cash received from City, employee, and other contributions	-	-	-	17,755,725
Cash payments to employees	(7,046,745)	(6,271,596)	(13,318,341)	(2,630,188)
Cash payments for claims	-	-	-	(13,728,598)
Cash payments for goods and services	(74,945,198)	(9,217,578)	(84,162,776)	(2,140,111)
Cash received from miscellaneous revenue	1,014,180	744,509	1,758,689	-
Net cash provided by (used in) operating activities	20,941,582	1,822,059	22,763,641	1,890,592
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(22,657,631)	(1,015,774)	(23,673,405)	(5,960,486)
Net proceeds from sale of capital assets	6,550	100,317	106,867	-
Bond proceeds and accrued interest	15,269,829	2,111,229	17,381,058	5,834,638
Principal paid on debt	(4,862,880)	(1,180,000)	(6,042,880)	(353,368)
Interest paid on debt	(2,500,903)	(229,732)	(2,730,635)	(100,140)
Fiscal charges and bond escrow payments	(7,006)	(1,606)	(8,612)	-
Construction escrow	15,377,572	-	15,377,572	-
Net cash provided by (used in) capital and related financing activities	625,531	(215,566)	409,965	(579,356)
Cash flows from investing activities:				
Purchase of investment securities	(30,000,000)	-	(30,000,000)	(15,000,000)
Interest received on investments	2,606,585	324,015	2,930,600	890,086
Net cash provided by (used in) investing activities	(27,393,415)	324,015	(27,069,400)	(14,109,914)
Net increase in cash, restricted cash, and cash equivalents	(5,826,302)	1,930,508	(3,895,794)	(12,798,678)
Cash, restricted cash, and cash equivalents, October 1	65,791,703	7,674,437	73,466,140	18,233,228
Cash, restricted cash, and cash equivalents, September 30	$ 59,965,401	$ 9,604,945	$ 69,570,346	$ 5,434,550

See accompanying notes to basic financial statements.

CITY OF RICHARDSON, TEXAS
Statement of Cash Flows
Proprietary Funds
Year ended September 30, 2023

	Business-type Activities - Enterprise Funds			
	Water and Sewer Fund	Solid Waste Fund	Total	Governmental Activities - Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income and loss	$ 11,335,009	$ 97,394	$ 11,432,403	$ 1,156,667
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation and amortization	6,303,360	1,157,176	7,460,536	800,942
Changes in assets and liabilities:				
(Increase)/Decrease in accounts receivable	(1,716,187)	(22,252)	(1,738,439)	408,199
(Increase)/Decrease in inventory of supplies	63,401	-	63,401	(15,813)
(Increase)/Decrease in prepaid items	-	-	-	39,800
Increase/(Decrease) in deposits payable from restricted assets	117,118	-	117,118	-
Increase/(Decrease) in accounts payable	3,648,071	(2,023)	3,646,048	45,077
Increase/(Decrease) in unpaid claims liabilities	-	-	-	47,405
Increase/(Decrease) in compensated absences	659,877	210,820	870,697	10,116
Increase/(Decrease) in workers compensation	(42,566)	(107,615)	(150,181)	(9,053)
Increase/(Decrease) in post-employment benefits	(958,561)	(810,215)	(1,768,776)	(91,293)
Increase/(Decrease) in pension liability (asset)	6,952,503	5,876,520	12,829,023	662,143
Increase/(Decrease) in accrued liabilities	161,549	(126,739)	34,810	(662,078)
Increase/(Decrease) in deferred inflows/outlows	(5,581,992)	(4,451,007)	(10,032,999)	(501,520)
Total adjustments	9,606,573	1,724,665	11,331,238	733,925
Net cash provided by (used in) operating activities	$ 20,941,582	$ 1,822,059	$ 22,763,641	$ 1,890,592
Noncash investing capital and financing activities:				
Noncash-interest	491,285	119,902	611,187	-
Reconciliation of cash, restricted cash, and cash equivalents to the statement of net position:				
Total unrestricted cash and investments per the statement of net position	$ 1,143,902	$ 3,432,991	$ 4,576,893	$ 5,434,550
Total restricted cash and investments per the statement of net position	58,821,499	6,171,954	64,993,453	-
Cash, restricted cash and cash equivalents as of September 30, 2023	$ 59,965,401	$ 9,604,945	$ 69,570,346	$ 5,434,550

See accompanying notes to basic financial statements.

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1 Summary of Significant Accounting Policies

A. Reporting Entity

The City of Richardson, Texas (the City) is a municipal corporation governed by an elected governing board consisting of a mayor and six council members. As required by accounting principles generally accepted in the United States of America, these financial statements present the financial condition and results of operations and activities of the City for which it is considered to be financially accountable.

The accounting and reporting policies of the City relating to the funds included in the accompanying basic financial statements conform to accounting principles generally accepted in the United States of America and applicable to state and local governments. These include those principles prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants as published in *Audits of State and Local Governments.*

Blended Component Unit. The Richardson Improvement Corporation (RIC) is a nonprofit corporation that serves the citizens of the City by improving municipal parks and recreational functions, facilitating real estate transactions and serving as an independent foundation for acceptance of corporate donations. The City provides all financial support to RIC and all members of its governing board are appointed by the City Council. Because the services that RIC provides exclusively benefits the City and the RIC operations are so intertwined with those of the City, RIC is in substance a department of the City and has been blended into the City's financial statements in the Other Governmental Funds category and reported as a Special Revenue Fund. Audited financial statements for RIC may be obtained by writing City of Richardson, Attn: Finance Director, PO Box 830309, Richardson, TX 75083-0309.

B. Implementation of New Accounting Statement

For fiscal year 2022-23, the City has implemented the following new statement of financial accounting standards issued by the Governmental Accounting Standards Board (GASB).

The objective of Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITA), is to improve accounting and financial reporting for SBITA by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain SBITA assets and liabilities for SBITA that were previously classified as general operating expenses and is now recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The adoption of GASB No. 96 had no historical impact on the City's net position and no restatement of net position was made. The City has recognized SBITA that meet the criteria for inclusion in the financials statements, which are detailed in Notes 6, 9 and 12.

C. Basis of Presentation

Government-Wide Statements

The two government-wide financial statements, the Statement of Net Position and the Statement of Activities, report information on all the activities of the City. Governmental activities, which include those activities primarily supported by taxes or intergovernmental revenue, are reported separately from business-type activities, which generally rely on fees and charges for support. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The Statement of Activities demonstrates the extent to which the direct expenses of a given program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific program. Program revenues include charges to customers and applicants who purchase, use or directly benefit from goods, services or privileges provided by a given program. They also include operating grants, capital grants, and contributions that are restricted to meeting the operational or capital requirements of a particular program. Taxes and other items not included among program revenues are reported as general revenues.

Fund Financial Statements. The City segregates transactions related to certain functions or activities in separate funds in order to support financial management and to demonstrate legal compliance. Separate statements are prescribed for governmental activities and for proprietary activities. These statements present each major fund as a separate column on the fund financial statements, while all nonmajor funds are aggregated and presented in a single column.

Governmental funds are those funds through which most governmental functions typically are financed. The measurement focus of governmental funds is on the sources, uses, and balance of current financial resources. The City has presented the following major governmental funds:

General Fund. The General Fund is the main operating fund of the City. The fund is used to account for all the financial resources that are not accounted for in other funds. All general tax revenues and other receipts that are not restricted by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures, fixed charges and capital improvement costs that are not paid through other funds are paid from the General Fund.

Debt Service Fund. The Debt Service Fund is used to account for the accumulation of financial resources for the payment of principal, interest and related costs on general long-term debt paid primarily from taxes levied by the City. The fund balance of the Debt Service Fund is restricted to signify the amounts are exclusively for debt service expenditures.

Capital Project Funds. The Capital Project Fund is used to account for funds expended for capital improvements, including streets and thoroughfares, parks and other recreational facilities, buildings and public facilities, drainage improvements, and for the purchase of capital equipment. Funding sources include the proceeds of general obligation bonds and certificates of obligation issued by the City, as well as intergovernmental revenues and contributions.

Hotel/Motel Tax Fund. This fund is used to account for the hotel/motel room tax and the operations of the Eisemann Center for the Performing Arts and Corporate Presentations. State law requires that hotel/motel room tax revenues be utilized for advertising and promotion of the City and other specified activities.

Proprietary funds are accounted for using the economic resources measurement focus and the accrual basis of accounting. The accounting objectives are determinations of net income, financial position and cash flows. All assets and liabilities of the proprietary funds are included in the Statement of Net Position. The City has presented the following major proprietary funds:

Water and Sewer Fund. The Water and Sewer Fund is used to account for the provision of water and sewer services to the residents of the City. Activities of the fund include administration, billing and collection activities, and the operations, maintenance, and construction of the water and sewer systems. The fund also accounts for the accumulation of resources for the payment of long-term principal and interest for water and sewer debt. All costs are financed through charges to utility customers with rates reviewed regularly and adjusted if necessary to ensure the integrity of the system.

Solid Waste Fund. The Solid Waste Fund is used to account for the operations of solid waste collection and disposal and recycling services provided to the residents of the City. The fund also accounts for the accumulation of resources for the payment of long-term principal and interest for solid waste debt. All costs are financed through charges to the utility customers.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. Operating expenses for the proprietary funds include the cost of personal and contractual services, supplies, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Additionally, the City reports the following fund types:

Internal Service Funds. The Internal Service Funds are used to account for warehouse, mail services, and records management operations provided to City departments, and health insurance provided to employees, dependents and retirees. Internal Service Funds are also used to account for the cost of replacing technology related to legacy ERP and Traffic systems.

Permanent Fund. The Permanent Fund accounts for resources that are legally restricted to the extent that only earnings, not principal, support the City's specified program.

Special Revenue Funds. Special Revenue Funds are used by the City to account for revenues derived from specific intergovernmental grants, taxes, and proceeds that are designated to finance particular functions or activities of the City.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Enterprise and Internal Service Funds consider all highly liquid investments (including restricted assets) with maturity of three months or less when purchased to be cash equivalents. Because the City, at its option, can withdraw amounts on a daily basis from TexPool, TexSTAR, Texas Daily, and Federated Money Market Mutual Fund, these investments are also considered to be cash equivalents.

D. Measurement Focus/Basis of Accounting

Measurement focus refers to what is being measured; basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The government-wide statements and fund financial statements for proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The economic resources measurement focus means all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position and the operating statement presents increases (revenues) and decreases (expenses) in net position. Under the accrual basis of accounting, revenues are recognized when earned, including unbilled water, sewer, and solid waste collection services. Expenses are recognized at the time the liability is incurred.

Governmental fund financial statements are reported using the current financial resources measurement focus and are accounted for using the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, that is, when they are "measurable and available." "Measurable" means the amount of the transaction can be determined, and "available" means collectible within the current period. The City considers all revenues available if they are collected within the current period or soon enough thereafter to be used to pay liabilities of the current period. A 30-day availability period is used for revenue recognition for all governmental fund type revenues, except fines and forfeitures, which are accrued using a 45-day availability period, and for grants, which are accrued as revenue as soon as all applicable eligibility requirements have been met.

Expenditures are recorded when the related fund liability is incurred, except for outstanding principal and interest on general long-term debt which is recognized when due, and certain leases, compensated absences, postemployment benefits, and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Those revenues susceptible to accrual are property taxes, franchise fees, sales tax revenues, fines and forfeitures, drainage fees, and interest revenue. Licenses and permits, recreation and leisure fees, public safety, and other revenues are not susceptible to accrual because generally they are not measurable until received in cash.

The City reports unavailable revenue in its governmental funds. Unavailable revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant moneys are received prior to the incidence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, revenue is recognized.

E. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position

Deposits and Investments

The City maintains a cash and investment pool that is available for use by all funds.

The Legislature for the state of Texas has enacted and regularly amends the Public Funds Investment Act (Investment Act) that governs items such as investment strategies and policies, training for investment officers, quarterly reporting, and types of investments allowed. The City has developed an Investment Policy that is annually reviewed and approved through resolution by the City Council that is in compliance with the Investment Act. Accordingly, the City is authorized to invest in (1) obligations of the United States or its agencies and instrumentalities, including letters of credit; (2) direct obligations of the state of Texas or its agencies and instrumentalities; (3) obligations of state agencies, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than "A" or its equivalent, and other obligations, the principal and interest of which are unconditionally guaranteed or insured by the state of Texas, or the United States, or its instrumentalities; (4) Joint Investment Pools of political subdivisions in the state of Texas, which comply with the guidelines stated in the City's investment policy; (5) Certificates of Deposit issued by state or national banks and credit unions domiciled in Texas that are guaranteed or insured by the Federal Deposit Insurance Corporation or secured by obligations mentioned above; (6) fully collateralized direct repurchase agreements having a defined termination date; and (7) no-load money market mutual funds regulated by the Securities and Exchange Commission.

The City is not authorized by its investment policy to invest in banker's acceptances, "bond" mutual funds, collateralized mortgage obligations of any type, and commercial paper, with the exception that the City may invest in local government investment pools and money market mutual funds that have commercial paper as authorized investments.

Investment transactions are conducted through the depository bank. The City's safekeeping agent holds all securities in the City's name.

For fiscal year 2023, the City invested in U.S. Agencies, U.S. Treasuries, TexPool, TexSTAR, Texas Daily and Federated Money Market Funds. The City records all interest revenue related to investment activities in the respective funds.

Investments that have a remaining maturity at the time of purchase of over one year are recorded at fair value based on quoted market prices. Fair value is the price that would be received to sell an investment in an orderly transaction between market participants at the measurement date. Investments with a remaining maturity at time of purchase of one year or less are recorded at amortized cost. For these investments, amortized cost approximates fair value.

TexPool and TexSTAR were created to conform to the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The fair value of positions in TexPool or TexSTAR is the same as the value of the pool shares. Texas Daily was created in 2000 to allow Texas local governments and school districts to pool their funds for investment.

For TexPool, the State's Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company (Trust Company), which is authorized to operate TexPool. Pursuant to the TexPool participation agreement, administrative and investment services to TexPool are provided by Federated. The Comptroller maintains oversight of the services provided by TexPool. The TexPool Advisory Board, composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool, acts as advisor on TexPool's Investment Policy.

J.P. Investment Management, Inc. and HilltopSecurities serve as coadministrators for TexSTAR under an agreement with the TexSTAR board of directors (the Board). The Board is composed of five members, three are representatives of participants in TexSTAR and the other two members are designated by each of the coadministrators. The Board manages the business and affairs of TexSTAR in accordance with its bylaws.

Escrow Deposits

During FY 2021, the City placed $5,865,000 in escrow for the benefit of a developer to secure the third-party construction of additional parking for the City's performing arts center. The funds will be released to the developer as construction on the garage progresses. Interest accrues on the balance but is not payable to the City until the escrow account is closed and the interest has been classified as unavailable revenue to the Capital Fund. As of September 30, 2023, $5,735,937 has been released to the developer and $129,063 remains in the account.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (the current portion of interfund loans) or "advance to/from other funds" (the noncurrent portion of interfund loans). Any residual balances outstanding between governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on October 1 and are due and payable on or before January 31 of the following year. All unpaid taxes become delinquent February 1 of the following year. City property taxes are billed and collected by Dallas County or Collin County depending on the county in which the property is located. City property tax revenues are recognized in the period for which they are collected. An allowance is established for delinquent taxes to the extent that their collectability is improbable.

The Statutes of the State of Texas do not prescribe a legal debt limit; however, Article XI, Section 5 of the Texas Constitution applicable to cities with a population of more than 5,000, limits the ad valorem tax rate to $2.50 per $100 assessed valuation. For the year ended September 30, 2023, the City's tax rate was $0.56095 per $100 assessed valuation.

Inventories and Prepaid Items

Inventories

Inventory consists primarily of supplies, valued at cost, which approximates market. Cost is determined using a weighted-average method. The cost of inventories is recorded as expenditures/expenses when consumed rather than when purchased. Accordingly, fund balance is classified as nonspendable for an amount equal to inventory to signify those funds are not available for expenditure.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Property Held for Redevelopment

During FY 2012 the City acquired land which is being held for future economic development. Total land was recorded at a net realizable value of $274,020.

Capital Assets

Property, plant, equipment and public domain (infrastructure) capital assets such as roads, bridges, curbs, gutters, streets and sidewalks, drainage systems, and water and sewer systems are recorded in the applicable governmental or business-type activities columns in the government-wide financial statements and in the fund financial statements of the proprietary funds. All assets are recorded at historical cost or estimated historical cost if actual historical cost is not available (except for intangible right-to-use assets, the measurement of which is discussed under the Leases section of this footnote). Donated capital assets are recorded at their acquisition value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized, but are recorded as expenditures/expenses as incurred.

Assets are capitalized that have an original cost of $5,000 or more and an estimated useful life of more than two years. Depreciation has been calculated on each class of depreciable property using the straight-line method, with one-half year's depreciation in the year of acquisition and one-half year in the final year of life or upon disposal which ever event occurs first. Intangible right-to-use assets are discussed in further detail under the Leases section of this footnote.

Estimated useful lives are as follows:

Land improvements	10 - 50 years
Buildings	10 - 50 years
Other improvements	5 - 50 years
Infrastructure	30 years
Vehicles, machinery and equipment	3 - 20 years
Intangible right-to-use land and equipment	2 - 5 years
Subscription based information technology agreements	3 - 10 years

Leases

Lessee

The City recognizes a lease liability and an intangible right-to-use asset in the government-wide and proprietary fund statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liaility at the present value of payments expected to be made during the remaining lease term. Subsequently, the lease liability is reduced by the principal portion of the lease payments made. The lease right-to-use asset was initially measured as the inital amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-to-use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgements related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term and (3) lease payments. The City uses the interest rate charged by the lessor as the discount rate if it has been provided. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases. The term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of the fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measuremnt of its lease and will remeasure the lease aseet and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Intangible right-to-use assets are reported with other capital assets and lease liabilities are reported with long-term debt on the Statement of Net Position.

Lessor

The City recognizes a lease receivable and a deferred inflow of resources in the government-wide, governmental, and proprietary funds financial statements.

At implementation of GASB Statement No. 87 and the commencement of leases beginning after October 1, 2021, the City initially measured the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term in a systematic and rational manner.

Key estimates and judgements include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term and (3) lease receipts. The City uses the stated rate, implicit (estimated) rate, lessor incremental borrowing rate, or the rate disclosed in the agreement. If the rate is not readily available, the City uses its estimated incremental borrowing rate as the discount rate. The lease term includes the non-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The City monitors changes in circumstance that would require a re-measurement of its lease, and will remeasure the lease receivable and deferred inflow of resources if certain changes occur that are expected to significantly affect the amount of lease receivable.

Subscription Based Information Technology Agreements

The City recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide fund financial statements.

At implementation of GASB Statement No. 86 and the commencement of SBITA beginning after October 1, 2022, the City initially measured the lease liability at the present value of payments expected to be made during the remaining agreement term. Subsequently, the ABITA liability is reduced by the principal portion of payments made. The SBITA right-to-use asset was initially measured as the initial amount of the SBITA liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the SBITA right-to use asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to SBITA include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) agreement term and (3) agreement payments. The City uses the interest rate charged

by the provider as the discount rate if it has been provided. When the interest rate charged by the providor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITA. The agreement term includes the noncancellable period of the agreement. Agreement payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a re-measurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the Statement of Net Position

Asset Impairments and Insurance Recoveries

The City has recorded insurance recoveries related to the impairment of capital assets as Program Revenue at the government-wide level, as Other Financing Sources in the Governmental Funds and as Other Nonoperating Revenues in the Enterprise Funds. For the year ended September 30, 2023, the City received $7,791,165 in insurance recoveries. There were no recoveries in the Enterprise Funds.

Money Held in Escrow

During FY 2023, the City received $15,716,125 from the North Texas Municipal Water District to be used for the construction of a 30 inch water line and metering station that is being built in conjunction with a City water project. The funds will be applied against construction costs as they are incurred. During FY2023 the City applied $338,553 against the escrow, leaving a remaining balance of $15,337,572.

The City also holds $420,842 in escrow deposits to be used for various projects throughout the city.

Compensated Absences

The City allows employees to accumulate unlimited unused sick leave. Earned vacation time is generally required to be used within one year of accrual, although the City allows employees to carry up to 20 days of vacation time into the next year. Upon termination, the City pays nonretirees up to 22 days of accumulated sick leave and pays retirees up to 90 days of accumulated sick leave. Sick leave in excess of the 22-day maximum is not paid upon termination to nonretirees and will be paid only upon illness while in the employment of the City. Any accumulated vacation that was not taken due to work-related assignments is paid upon termination, with authorization by the City Manager or his designee. Compensated absences are only reported in Governmental Funds if they are pending maturities owed to separated employees at the end of the reporting period.

Postemployment Benefits

The City provides postemployment healthcare benefits to all employees who retire from the City. All employees who are vested in the City's pension plan, Texas Municipal Retirement System (TMRS), are eligible for these benefits with 20 years or more of service, regardless of age, or with 5 years or more of service at age 60 and above. Coverage is also available to dependents or surviving spouses of retirees. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The City's plan qualifies as a single-employer, defined benefit plan. Complete details of the plan are listed in Note 18.

Long-Term Obligations

General Obligation Bonds and other debt issued for general government capital projects and acquisitions that are to be repaid from tax revenues of the City are recorded in the governmental activities column in the government-wide Statement of Net Position. Debt issued to fund capital projects in the proprietary funds is recorded in the business-type activities column in the government-wide Statement of Net Position and in the proprietary fund Statement of Net Position. Bond premiums and discounts as well as deferred charges on refunded debt obligations are amortized over the life of the bonds using the effective interest method in the government-wide financial statements and in the proprietary funds. Bonds payable are reported net of the applicable bond premiums and discounts.

In the governmental funds, bond premiums and discounts are recognized during the current period. Bond proceeds are reported as other financing sources, as are any applicable premium or discount. Issuance costs are expensed in the current period.

Classifications of Fund Balance

Restricted fund balances in the governmental funds are restricted to specific purposes that are externally imposed by creditors, grantors, contributors or laws or regulations of other governments. Committed fund balances are amounts that can only be used for specific purposes with constraints imposed by the formal action of the City Council's adoption of an ordinance. Assigned fund balances are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assigned fund balances are determined by City management based on City Council direction, in accordance with financial policies adopted by resolution. Unassigned fund balance represents the amount that does not meet the criteria for restricted, committed, or assigned. Nonspendable fund balances represent amounts that cannot be spent because they are legally or contractually required to be maintained.

The City considers an expenditure to be made from the most restrictive resources/funds when more than one classification is available. This may result in certain special revenue funds reporting assigned residual balances if restricted or committed balances, which make up the majority of the fund's resources, have been exhausted.

The General Fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount. However, in governmental funds other than the general fund, if expenditures incurred for specific purposes exceed the amounts that are restricted, committed, or assigned to those purposes, it may be necessary to report a negative unassigned fund balance in that fund.

Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position reports a separate section of deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expenses/expenditure) until the appropriate time period. The deferred outflows of resources are reported in the government-wide statement of net position for governmental and business activities and the fund level for the proprietary statement of net position. In addition to liabilities, the Statement of Net Position and Balance Sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenues) until that time.

There are several financial statement transactions that qualify for reporting as a deferred outflow or inflow of resources. First, the City's contributions to its pension and OPEB plans made from the measurement date of the respective plans to the current fiscal year end are classified as deferred outflows and will be recognized in the subsequent fiscal year. Second, at the governmental fund level, revenues that have been billed but not yet collected are reported as unavailable revenues. These amounts are classified as deferred inflows and recognized as revenue in the period they become available to the City. Finally, the value of future lease payments due to the City is reported as a deferred inflow of resources and will be recognized as revenue in future periods as lease payments are received.

Several financial statement transactions may be reported as either a deferred outflows or inflows of resources. First, the deferred charge on refunded debt results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Second, the actual versus projected investment earnings for the pension plan, the changes in assumptions for the pension and OPEB plans and difference between the actual versus projected actuarial experience for the pension and OPEB plans may qualilfy as a deferred outflow or inflow of resources. These amounts are deferred and recognized as pension or OPEB expense or reduction of expense as appropriate based over a closed five-year period (investment experience) or the estimated average remaining services lives of employees that are provided with the respective benefits, both active and inactive employees, as calculated by the respective plans (all other pension/OPEB deferrals).

Minimum Fund Balance Policy

It is the desire of the City to maintain adequate fund balance in the General Fund in order to maintain liquidity and in anticipation of economic downturns or natural disasters. The City Council has adopted a financial policy to maintain a minimum fund balance of 90 days of budgeted expenditures in the General Fund.

Net Position

Net position represents the difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any debt used for the acquisition, construction or improvements of those assets, plus any unspent debt proceeds. The government-wide statement of net position reports $89,380,630 of restricted net position. These resources are limited in their use by external parties such as bondholders and granting agencies. Unrestricted net position may be used for any lawful purpose. General Government net position is negative due to the estimated value of post-employment liabilities and the outstanding balances of long-term debt. Resources will be levied in future years to satisfy these commitments.

2 Reconciliation of Government-Wide and Fund Financial Statements

A. Explanation of Certain Differences between the Governmental Funds Balance Sheet and the Government-Wide Statement of Net Position

The governmental funds Balance Sheet includes reconciliation between fund balances – total governmental funds and net position – governmental activities as reported in the government-wide Statement of Net Position. One element of that reconciliation explains that "long-term liabilities, including bonds payable, leases, accrued interest, and related deferred charges, are not due and payable in the current period and therefore are not reported in the funds."

The details of the $563,651,730 are as follows:

Bonds payable	$	288,745,000
Notes payable, leases and other contractual obligations		100,138,300
Less issuance discount (to be amortized as interest expense)		(63,361)
Add issuance premium (to be amortized as interest expense)		24,258,233
Less deferred charges on refunding, net (to be amortized as interest expense)		2,753,268
Accrued interest payable		13,462,607
TMRS pension liability/(asset)		69,511,813
Postemployment liability		42,025,905
Compensated absences		17,022,707
Workers' compensation liability		5,243,271
Arbitrage liability		553,987
Net adjustment to reduce fund balances - total governmental	$	563,651,730

B. Explanation of Certain Differences between the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

The governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances includes a reconciliation between net change in fund balances – total governmental funds and changes in net position of governmental activities as reported in the government-wide Statement of Activities. One element of this reconciliation explains that the "Governmental funds report capital outlay and lease expenditure outlays as expenditures. However, in the Statement of Activities, the cost of those capital and intangible right-to-use assets is allocated over their estimated useful lives and reported as depreciation or amortization expense." The details of this $36,923,053 difference are as follows:

Capital Outlay	$	63,322,462
SBITA Expenditure Outlay		1,089,967
Governmental Depreciation and Amortization Expense		(27,489,376)
Net adjustment to increase fund balances - total governmental funds to arrive at changes in net position of governmental activities	$	36,923,053

Another element of the reconciliation states "The issuance of long-term debt (e.g., bonds, leases, and notes) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is originally issued, whereas these amounts are amortized in the Statement of Activities."

The details of the $50,454,578 are as follows:

Debt issued or incurred:	
General obligations, certificates of obligation, and refunding bonds	$ (77,465,000)
Lease obligations	(4,891,585)
SBITA obligations	(1,089,968)
Add premium and discount	(7,541,394)
Principal repayments:	
General obligation bonds	27,205,000
Tax Anticipation Notes	265,000
Certificates of obligation	7,360,000
Notes payable and other contractual obligations	4,281,647
Lease obligations	1,048,045
SBITA obligations	373,677
Net adjustment to decrease fund balance - total governmental funds to arrive at changes in net position of governmental activities	$ (50,454,578)

Another element of the reconciliation states, "Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds." The details of the $10,260,398 are as follows:

Amortization of bond premium	$ 2,688,973
Amortization of bond discount	(1,975)
Amortization of deferred charge on refunded bonds	325,391
Accrued interest	(1,938,959)
Pension expenses	(74,325,565)
Other postemployment benefits	10,247,503
Compensated absences	(3,952,835)
Workers compensation	401,257
Change in deferred inflows	22,423,717
Change in deferred outflows	33,872,095
Net adjustment to decrease fund balance - total governmental funds to arrive at changes in net position of governmental activities	$ (10,260,398)

3 Deposits and Investments

	Bank balance	Book balance
Financial Institution:		
Bank of America - City	$ 9,298,723	$ 11,317,942
Bank of America - RIC	31,179	31,179
Frost - City	4,909	4,909
Petty Cash - City	-	10,428
Total	$ 9,334,811	$ 11,364,458

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The three levels of the fair value hierarchy are described as follows:

Level 1 - Quoted prices (unadjusted) in active markets for identical assets. These types of investments primarily include common stock and equities traded on public exchanges.

Level 2 - Significant observable inputs for the asset other than quoted prices included within Level 1 that are observable for similar securities, but not exact. These types of investments include US Government obligations and obligations of government agencies.

Level 3 - Significant unobservable inputs for an asset, as they trade infrequently or not at all. (The City does not value any investments using Level 3 inputs).

The City has the following recurring fair value measurements as of September 30, 2023:

	9/30/2023	Inputs (Level 1)	Inputs (Level 2)	Inputs (Level 3)	Weighted average maturity (days) (1)
Investments by fair value level					
Debt securities					
Federal Home Loan Bank	$ 121,845,744	$ -	$ 121,845,744	$ -	68
Federal Farm Credit Bank	14,826,110	-	14,826,110	-	5
Federal National Mortgage Association-Bonds	26,943,060	-	26,943,060	-	27
Total debt securities	163,614,914	-	163,614,914	-	
U.S. Treasuries	153,926,961	-	153,926,961	-	130
Total investment by fair value level	317,541,875	$ -	$ 317,541,875	$ -	
Investments measured at net asset value					
Federated Money Market Fund	10,334,913				1
Total investments measured at net asset value	10,334,913				
Investments measured at amortized cost					
Texas Daily LGIP	46,046,523				3
TexStar LGIP	10,576,908				1
TexPool LGIP	20,043,803				1
Total investments at amortized cost	76,667,234				
Total investments	$ 404,544,022				
Portfolio weighted average maturity					236

(1) Amounts shown as zero are less than one day.

The amounts for the Investment Pools (Texpool, TexStar and Texas Daily) and the Federated Money Market Fund are included for financial reporting purposes in cash and cash equivalents on the Statement of Net Position.

The City's Local Government Investment Pools (LGIPs) listed above qualify to be valued at amortized cost and have no limitations or restrictions on withdrawals.

Debt securities classified as Level 2 of the fair value hierarchy are valued by SVC, a subsidiary of SS&C Technologies. SVC uses a number of sources for their pricing data, with most government securities pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service which is the largest provider of fixed income pricing. Security values are determined through matrix pricing, which values securities based on their relationship to benchmark quoted prices.

Credit Risk – Investments. The City's investment policy requires that joint investment pools maintain a continuous rating no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating agency, and that obligations of states, agencies, cities, or other political subdivisions of any state be rated no less than A or an equivalent rating by at least one nationally recognized rating agency. The City's investment policy has no other restrictions relating to credit ratings that would limit its investment options. Moody's has rated investments in Federal Home Loan Bank and Federal Farm Credit Bank, as AAA as of September 30, 2023. Standard & Poor's has rated investments in TexPool, TexSTAR, Texas Daily, and Federated Money Market Funds as AAA-m as of September 30, 2023.

Custodial Credit Risk – Deposits and Investments. For deposits, custodial credit risk is the risk that in the event of a bank failure, the City's deposits may not be returned to it. The City's investment policy follows state statutes, which require that all deposits in financial institutions be fully collateralized or insured. For investments, custodial credit risk is the risk that in the event of the failure of a counterparty, the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The City's investment policy requires that all investments held by outside parties for safekeeping be held in the name of the City. The City was not exposed to any custodial credit risk during the year.

Interest Rate Risk – Investments. In accordance with its investment policy, the City manages its exposure to declines in fair values by limiting the weighted average maturity of its operating portfolio to one year or less. The maximum weighted average maturity for the City's composite portfolio is three years.

Concentration of Credit Risk – Investments. The City's investment policy does not place a limit on the amount the City may invest in a single issuer, except that the City may not invest more than 25% in an individual investment pool or money market mutual fund. At September 30, 2023, the City's direct investments are in the U.S. Treasuries, Federal Home Loan Bank, Federal Farm Credit Bank, and Federal National Mortgage Association. These investments are 38%, 30%, 4% and 7% respectively, of the City's total investments.

4 Restricted Assets

Enterprise Funds

At year-end, the following were the restricted assets in the Enterprise Funds:

	Water and Sewer Fund	Solid Waste Fund	Total
Debt service - Sinking Fund	$ 724,633	$ 137,145	$ 861,778
Customer Deposits	4,180,382	-	4,180,382
Rate stabilization	3,069,481	-	3,069,481
Capital Project and Equipment Funds	50,847,003	6,034,809	56,881,812
Total Restricted Assets	$ 58,821,499	$ 6,171,954	$ 64,993,453

5 Receivables

Amounts other than leases receivable at September 30, 2023, for the government's individual major governmental funds, nonmajor funds, and internal service funds in the aggregate, and for individual major business-type funds, including the applicable allowances for uncollectible accounts, consist of the following:

Governmental Receivables

	General Fund	Debt Service Fund	Capital Project Funds	Hotel/ Motel Tax Fund	Nonmajor Governmental Funds	Total Governmental Funds
Receivables:						
Taxes - property	$ 1,243,299	$ 820,935	$ -	$ -	$ -	$ 2,064,234
Taxes - sales	4,780,137	-	-	-	-	4,780,137
Trade accounts	4,911,273	300	-	454,691	463,338	5,829,602
Interest	635,247	-	1,296,576	25,269	-	1,957,092
Intergovernmental	6,900	-	-	-	95,420	102,320
Gross receivable	11,576,856	821,235	1,296,576	479,960	558,758	14,733,385
Less allowance for uncollectibles	(1,315,673)	(212,821)	-	-	(21,014)	(1,549,508)
Net receivables	$ 10,261,183	$ 608,414	$ 1,296,576	$ 479,960	$ 537,744	$ 13,183,877

Business-Type Receivables

	Water and Sewer Fund	Solid Waste Fund	Total Business-Type Activities
Receivables:			
Unrestricted			
Trade accounts	$ 13,154,455	$ 1,828,818	$ 14,983,273
Other receivables	651,507	242,646	894,153
Interest	13,969	-	13,969
Gross receivable	13,819,931	2,071,464	15,891,395
Less: allowance for uncollectibles	(695,736)	(213,091)	(908,827)
Net unrestricted receivables	13,124,195	1,858,373	14,982,568
Resctricted			
Other receivables	4,006	-	4,006
Total net receivables	$ 13,128,201	$ 1,858,373	$ 14,986,574

The Water and Sewer and Solid Waste trade accounts receivable include unbilled charges for services rendered through September 30, 2023.

Leases Receivable

The City has entered into multiple lease agreements for land and cell sites as lessor. Effective October 1, 2021, the City implemented GASB Statement No. 87, Leases. During the year ended September 30, 2023, $91,832 and $307,558 were received in principal and interest for governmental activities, and $324,142 and $17,065 were received in principal and interest for business-type activities. At implementation of this statement, the City initially measured the lease receivable at the present value of payments expected to be received during the remaining lease term. The lease rate, term and ending lease receivables are as follows:

	Interest Rates	Receivable at Commencement	Lease Term in Years	Ending Balance
Governmental Type				
Facility Lease (General Fund)	0.74%	$ 462,730	7	$ 466,165
Parking Structure (Hotel/Motel Fund)	1.72%	17,823,675	85	17,609,224
Total Governmental Type		$ 18,286,405		$ 18,075,389
Business Type				
Cell Sites (Water/Sewer Fund)	0.193% - 1.4%	$ 2,659,912	3 - 15	$ 2,016,122

The future principal and interest payments as of September 30, 2023, were as follows:

	Governmental Activity			Business-Type Activity		
Fiscal Year	Principal Payments	Interest Payments	Total Payment	Principal Payments	Interest Payments	Total Payment
2024	$ 93,460	$ 305,930	$ 399,390	$ 299,834	$ 15,378	$ 315,212
2025	105,117	304,273	409,390	275,554	13,739	289,293
2026	217,285	302,105	519,390	288,945	12,149	301,094
2027	219,894	299,496	519,390	297,042	10,478	307,520
2028	222,541	296,849	519,390	308,586	8,757	317,343
2029 - 2033	656,399	1,450,551	2,106,950	353,314	25,800	379,114
2034 - 2038	595,934	1,401,016	1,996,950	192,847	5,463	198,310
2039 - 2043	649,477	1,347,473	1,996,950	-	-	-
2044 - 2048	707,832	1,289,118	1,996,950	-	-	-
2049 - 2053	771,429	1,225,521	1,996,950	-	-	-
2054 - 2058	840,740	1,156,210	1,996,950	-	-	-
2059 - 2063	916,279	1,080,671	1,996,950	-	-	-
2064 - 2068	998,605	998,345	1,996,950	-	-	-
2069 - 2073	1,088,328	908,622	1,996,950	-	-	-
2074 - 2078	1,186,112	810,838	1,996,950	-	-	-
2079 - 2083	1,292,682	704,268	1,996,950	-	-	-
2084 - 2088	1,408,827	588,123	1,996,950	-	-	-
2089 - 2093	1,535,407	461,543	1,996,950	-	-	-
2094 - 2098	1,673,361	323,589	1,996,950	-	-	-
2099 - 2103	1,823,709	173,241	1,996,950	-	-	-
2104 - 2106	1,071,971	26,351	1,098,322	-	-	-
Total	$ 18,075,389	$ 15,454,133	$ 33,529,522	$ 2,016,122	$ 91,764	$ 2,107,886

6 Capital and Intangible Right-To-Use Assets

Capital and intangible right-to-use asset activity for the year ended September 30, 2023 was as follows:

	October 1, 2022	Increases	Decreases	September 30, 2023
Governmental activities:				
Capital assets, not being depreciated:				
Land	$ 94,150,618	$ -	$ (505,802)	$ 93,644,816
Public Art	4,237,208	-	-	4,237,208
Construction in Progress	26,958,336	63,322,462	(14,147,497)	76,133,301
Total capital assets, not being depreciated:	125,346,162	63,322,462	(14,653,299)	174,015,325
Capital assets, being depreciated:				
Buildings	219,857,299	203,581	(6,554,080)	213,506,800
Improvements other than buildings	115,782,790	2,457,056	(848,514)	117,391,332
Vehicles, machinery and equipment	69,996,576	2,163,590	(2,571,682)	69,588,484
Infrastructure	570,029,596	1,062,503	(13,954)	571,078,145
Total	975,666,261	5,886,730	(9,988,230)	971,564,761
Less accumulated depreciation for:				
Buildings	86,367,880	4,828,166	(6,539,625)	84,656,421
Improvements other than buildings	69,411,968	3,256,307	(759,654)	71,908,621
Vehicles, machinery, and equipment	49,619,256	5,906,147	(1,926,291)	53,599,112
Infrastructure	377,091,550	11,882,684	(697)	388,973,537
Total	582,490,654	25,873,304	(9,226,267)	599,137,691
Total assets being depreciated, net	393,175,607	(19,986,574)	(761,963)	372,427,070
Intangible right-to-use assets:				
Lease vehicle and equipment	404,125	189,435	(100,382)	493,178
Lease building	-	8,260,766	-	8,260,766
Lease land	2,688,559	-	-	2,688,559
Total	3,092,684	8,450,201	(100,382)	11,442,503
Less accumulated amortizarion for:				
Lease vehicles and equipment	151,168	133,615	(72,637)	212,146
Lease buildings	-	375,489	-	375,489
Lease land	784,344	784,344	-	1,568,688
Total:	935,512	1,293,448	(72,637)	2,156,323
Total intangible right-to-use assets, net	2,157,172	7,156,753	(27,745)	9,286,180
SBITA assets: *	6,875,528	-	-	6,875,528
Less accumulated amortization:	-	1,123,566	-	1,123,566
Total SBITA, net	6,875,528	1,123,566	-	5,751,962
Total capital assets being depreciated or amortized	402,208,307	(13,953,387)	(789,708)	387,465,212
Governmental capital assets, net	$ 527,554,469	$ 49,369,075	$ (15,443,007)	$ 561,480,537

* Assets added as part of GASB 96 implemantation are included as part of beginning balance.

	October 1, 2022	Increases	Decreases	September 30, 2023
Business-type activities:				
Capital assets, not being depreciated:				
Land	$ 423,510	$ -	$ -	$ 423,510
Construction in progress	6,107,892	23,426,867	(1,577,959)	27,956,800
Total capital assets, not being depreciated:	6,531,402	23,426,867	(1,577,959)	28,380,310
Capital assets, being depreciated:				
Buildings	9,958,837	-	-	9,958,837
Improvements other than buildings	2,605,705	-	-	2,605,705
Vehicles, machinery and equipment	37,556,820	1,055,880	(944,092)	37,668,608
Infrastructure	243,892,285	1,537,853	-	245,430,138
Total	294,013,647	2,593,733	(944,092)	295,663,288
Less accumulated depreciation for:				
Building	6,518,885	154,491	-	6,673,376
Improvements other than buildings	1,170,313	101,170	-	1,271,483
Vehicles, machinery and equipment	29,993,538	1,643,742	(944,092)	30,693,188
Infrastructure	149,297,866	5,527,843	-	154,825,709
Total	186,980,602	7,427,246	(944,092)	193,463,756
Total assets being depreciated, net:	107,033,045	(4,833,513)	-	102,199,532
Intangible right-to-use assets:				
Lease equipment	-	13,221	-	13,221
Lease land	-	168,015	-	168,015
Total	-	181,236	-	181,236
Less accumulated amortization for:				
Lease equipment	-	5,288	-	5,288
Lease land	-	28,003	-	28,003
Total	-	33,291	-	33,291
Total intangible right-to-use asset, net	-	147,945	-	147,945
Total capital assets being depreciated or amortized	107,033,045	(4,685,568)	-	102,347,477
Business-type activities capital assets, net	$ 113,564,447	$ 18,741,299	$ (1,577,959)	$ 130,727,787

Depreciation and amortization expense was charged to functions/programs of the City as follows:

Governmental activities:	
General government	$ 7,050,271
Public safety	5,723,940
Public service	10,893,231
Library	301,278
Parks and recreation	3,468,770
Health	51,886
Total governmental funds	27,489,376
Internal service fund	800,942
Depreciation/amortization expense - governmental activities	$ 28,290,318
Business-type activities:	
Water and sewer	$ 6,303,360
Solid waste	1,157,176
Depreciation expense - business activities	$ 7,460,536

7 Construction and Purchase Commitments

Outstanding commitments as of September 30, 2023, under authorized construction and purchase contracts as follows.

Governmental activities:	
Capital funds	$ 38,563,328
General fund	996,875
Hotel/motel tax fund	19,020
Other governmental funds	2,504,668
Total governmental activities	$ 42,083,891
Business-type activities:	
Water and sewer	$ 34,839,237
Internal service	183,890
Total business-type activities	$ 35,023,127

Outstanding commitments will be financed by proceeds from annual appropriations, bond issues, Federal grants, and from revenues such as participation revenue from other governments or developers and operating revenues dedicated to street maintenance.

8 Interfund Receivables, Payables and Transfers

There was one interfund balance at September 30, 2023, in which the Other Governmental Funds owed the General Fund $44,041 caused by the timing of grants that require out of pocket spending before being reimbursed.

Individual fund transfers for fiscal year 2022-2023 were as follows:

	Transfers Out				
	Governmental Funds				
	General Fund	Capital Projects	Hotel / Motel Tax	Other Governmental Funds	Total
Transfers in:					
General	$ -	$ -	$ -	$ 700,000	$ 700,000
Debt Service	-	2,919	-	-	2,919
Capital Project	27,659,784	-	900,000	647,541	29,207,325
Other Governmental	1,395,998	30,000	-	-	1,425,998
Total	$ 29,055,782	$ 32,919	$ 900,000	$ 1,347,541	$ 31,336,242

General Fund Transfers Out:

- $27,659,784 to the Capital Project Fund to be used for future capital improvements and street rehabilitation.
- $1,395,998 to the Economic Development Fund for funding of economic development projects.

Capital Projects Fund Transfers Out:

- $2,919 to the Debt Service Fund to account for unspent bond proceeds for project funding.
- $30,000 to Other Governmental Funds for reimbursements for construction costs as it relates to drainage.

Hotel / Motel Tax Fund Transfers Out:

- $900,000 to the Capital Projects Fund to be used for future capital improvements at the performing arts center.

Other Governmental Funds Transfers Out:

- $50,000 to the General Fund from the Child Safety und to support the school crossing guard program.
- $650,000 to the General Fund from the Wireless Fund to support the expenses of the 911 Call Center.
- $647,541to the Capital Project Fund from the Richardson Improvement Corporation Fund for future capital improvements.

9 Long-Term Obligations

The following is a summary of financial obligations for the fiscal year ended September 30, 2023:

	Balance beginning of year	Increases	Decreases	Balance end of year	Due within one year
Governmental-type activities:					
General obligation bonds	$ 167,815,000	$ 43,885,000	$ (25,045,000)	$ 186,655,000	$ 25,260,000
Certificates of obligation	73,585,000	33,580,000	(7,360,000)	99,805,000	5,990,000
General obligation bonds from direct borrowings	4,445,000	-	(2,160,000)	2,285,000	350,000
Bond discounts/premiums (1)	19,340,476	7,541,394	(2,686,998)	24,194,872	2,821,418
Total bonds payable	265,185,476	85,006,394	(37,251,998)	312,939,872	34,421,418
Tax anticipation notes from direct borrowings	5,605,000	-	(265,000)	5,340,000	3,420,000
Financed purchases and other contractual obligations	1,934,383	-	(431,369)	1,503,014	385,352
Lease obligations	2,041,850	5,081,020	(1,101,236)	6,021,634	2,232,375
SBITA obligations*	6,735,171	-	(687,073)	6,048,098	1,084,946
TIF obligations	90,625,573	-	(3,850,278)	86,775,295	-
Arbitrage liability	-	553,987	-	553,987	-
Other postemployment benefits	52,638,620	3,574,119	(13,912,915)	42,299,824	1,658,454
TMRS - pension liability	(4,697,833)	89,855,504	(14,867,796)	70,289,875	-
Compensated absences	13,149,389	5,732,878	(1,769,927)	17,112,340	1,882,358
Workers' compensation	5,653,581	119,463	(529,773)	5,243,271	589,142
Unpaid claims liability	930,186	13,271,883	(13,224,478)	977,591	977,591
Total governmental-type long-term liabilities	$439,801,396	$203,195,248	$ (87,891,843)	$555,104,801	$ 46,651,636
Business-type activities:					
General obligation refunding bonds	$ 12,660,000	$ -	$ (2,495,000)	$ 10,165,000	$ 2,315,000
Certificates of obligation	58,330,000	15,425,000	(3,515,000)	70,240,000	4,125,000
Bond discount/premiums	6,694,430	1,914,524	(798,143)	7,810,811	806,753
Total bonds payable	77,684,430	17,339,524	(6,808,143)	88,215,811	7,246,753
Lease obligations	-	181,236	(32,880)	148,356	88,659
Arbitrage liability	-	133,284	-	133,284	-
Other postemployment benefits	8,748,846	589,780	(2,358,556)	6,980,070	273,668
TMRS - pension liability	(162,817)	15,508,194	(2,679,171)	12,666,206	-
Compensated absences	935,273	933,019	(62,322)	1,805,970	198,657
Workers' compensation	232,941	20,921	(171,102)	82,760	82,760
Total business-type long-term liabilities	$ 87,438,673	$ 34,705,958	$ (12,112,174)	$110,032,457	$ 7,890,497

The City has no unused lines of credit.

(1) All bond discounts/premiums are related to public borrowings.

* Obligations added as part of GASB 96 implemantation are included as part of beginning balance.

Governmental Activities

Bonds issued for the General Government are payable from the levy of property taxes assessed against taxable property within the City, as well as a limited pledge of revenues from the Water Fund.

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding @ 9/30/2023	Due Within One Year
General Obligation Bonds						
2023 General Obligation	5.00	5/24/2023	2/15/2043	$ 43,885,000	$ 43,885,000	$ 10,635,000
2022 General Obligation	3.25-5.00	5/25/2022	2/15/2042	28,915,000	17,550,000	595,000
2021 Refunding	2.00 - 4.00	5/26/2021	2/15/2041	12,630,000	11,695,000	515,000
2020 Refunding	5.00	2/26/2020	2/15/2030	40,425,000	28,625,000	3,740,000
2019 General Obligation	2.62 - 4.00	4/25/2019	2/15/2039	16,790,000	14,465,000	680,000
2018 General Obligation	3.00 - 5.00	4/25/2018	2/15/2038	38,525,000	32,165,000	1,560,000
2017 General Obligation	3.00 - 4.00	5/04/2017	2/15/2037	19,725,000	15,975,000	865,000
2016A Ref. & Imp.	2.00 - 5.00	4/15/2016	2/15/2036	16,815,000	5,495,000	1,205,000
2015 Refunding	4.00 - 5.00	3/15/2015	2/15/2026	39,185,000	9,365,000	3,275,000
2013 Refunding	1.50 - 5.00	3/15/2013	2/15/2025	18,000,000	3,440,000	1,940,000
Total general obligation bonds - tax exempt					182,660,000	25,010,000
General Obligations - direct borrowings						
2020A General Obligation	Adjustable	2/26/2020	6/15/2029	15,015,000	2,285,000	350,000
Total general obligation bonds - direct borrowings					2,285,000	350,000
Taxable General Obligation Bonds						
2016B Taxable	3.00 - 3.77	4/15/2016	2/15/2036	5,470,000	3,995,000	250,000
Total general obligation bonds - taxable					3,995,000	250,000
Total governmental-type general obligation, taxable and tax exempt bonds					188,940,000	25,610,000

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding @ 9/30/2023	Due Within One Year
Certificates of Obligations						
2023 Certificates	5.00	5/24/2023	2/15/2043	24,450,000	$ 24,450,000	$ 810,000
2023 A Certificates	4.25-5.25	5/24/2023	2/15/2043	9,130,000	9,130,000	190,000
2022 Certificates	4.0	5/25/2022	2/15/2030	1,305,000	1,170,000	150,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	14,565,000	12,795,000	975,000
2020 Certificates	4.00 - 5.00	2/26/2020	2/15/2040	6,055,000	4,465,000	620,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	20,990,000	8,960,000	715,000
2018 Certificates	3.13 - 5.00	4/25/2018	2/15/2038	26,290,000	17,445,000	975,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2037	20,930,000	14,080,000	915,000
2016A Certificates	2.00 - 4.00	4/15/2016	2/15/2024	4,045,000	185,000	185,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2035	3,695,000	350,000	25,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2033	4,290,000	435,000	40,000
2012B Certificates	2.00 - 4.00	3/15/2012	2/15/2032	5,775,000	1,155,000	115,000
Total certificates of obligation- tax exempt					94,620,000	5,715,000
Taxable Certificates of Obligation						
2021A Certificates	Adjustable	5/26/2021	2/15/2041	4,045,000	3,725,000	175,000
2015B Certificates	0.90 - 4.00	3/15/2015	2/15/2035	2,150,000	1,460,000	100,000
Total certificates - taxable					5,185,000	275,000
Total governmental-type certificates of obligation, taxable and tax exempt bonds					99,805,000	5,990,000
Add: unamortized premium					24,258,233	2,824,603
Less: unamortized discount					(63,361)	(3,185)
Total general government bonds and certificates of obligation					$ 312,939,872	$ 34,421,418

Business-Type Activities

Bonds issued for business-type activities are secured by a pledge of the property tax levy of the City, but are Self-supporting Obligations which are paid from the respective net revenues of each activity.

	Interest Rate %	Issue Date	Maturity Date	Original Issue	Outstanding @ 9/30/2023	Due Within One Year
Water and Sewer:						
General Obligation Bonds:						
2021 Refunding	2.00 - 4.00	5/26/2021	2/15/2041	$ 1,935,000	$ 1,605,000	$ 180,000
2020 Refunding	5.00	2/26/2020	2/15/2030	5,880,000	3,770,000	640,000
2016A Refunding	3.00 - 5.00	4/15/2016	2/15/2028	6,185,000	3,065,000	670,000
2015 Refunding	3.00 - 5.00	3/15/2015	2/15/2026	2,480,000	800,000	280,000
2013 Refunding	1.50 - 5.00	3/15/2013	2/15/2025	2,720,000	400,000	195,000
2012 Refunding	2.00 - 4.00	3/15/2012	2/15/2024	8,575,000	185,000	185,000
Total water and sewer general obligation bonds					9,825,000	2,150,000
Certificates of Obligations:						
2023 Certificates	5.00	5/24/2023	2/15/2043	13,495,000	13,495,000	290,000
2022 Certificates	4.00	5/25/2022	2/15/2042	12,490,000	12,085,000	535,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	13,015,000	12,035,000	555,000
2020 Certificates	4.00-5.00	2/26/2020	2/15/2040	7,920,000	7,005,000	355,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	8,240,000	7,080,000	365,000
2018 Certificates	3.125 - 5.00	4/25/2018	2/15/2038	5,940,000	4,690,000	300,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2037	4,440,000	3,295,000	230,000
2016 Certificates	2.00 - 4.00	4/15/2016	2/15/2036	1,900,000	1,270,000	105,000
2015A Certificates	2.00 - 5.00	3/15/2015	2/15/2035	2,305,000	1,605,000	105,000
2013 Certificates	1.50 - 4.00	3/15/2013	2/15/2033	3,025,000	1,725,000	150,000
Total water and sewer certificates of obligation					64,285,000	2,990,000
Total water and sewer general obligation refunding bonds and certificates of obligation					74,110,000	5,140,000
Solid Waste:						
General Obligation Refunding Bonds:						
2020 Refunding	5.00	2/26/2020	2/15/2025	765,000	340,000	165,000
Certificates of Obligations:						
2023 Certificates	5.00	5/24/2023	2/15/2043	1,930,000	1,930,000	180,000
2022 Certificates	4.00	5/25/2022	2/15/2042	1,175,000	1,055,000	135,000
2021 Certificates	2.00 - 4.00	5/26/2021	2/15/2041	1,060,000	830,000	125,000
2020 Certificates	4.00 - 5.00	2/26/2020	2/15/2028	720,000	495,000	90,000
2019 Certificates	3.00 - 5.00	4/25/2019	2/15/2039	1,335,000	720,000	165,000
2018 Certificates	4.00 - 5.00	4/25/2018	2/15/2026	1,240,000	530,000	170,000
2017 Certificates	2.00 - 5.00	5/04/2017	2/15/2025	875,000	250,000	125,000
2016 Certificates	2.00 - 4.00	4/15/2016	2/15/2024	1,000,000	145,000	145,000
Total solid waste certificates of obligation					5,955,000	1,135,000
Total solid waste general obligation refunding bonds and certificates of obligation					6,295,000	1,300,000
Add unamortized premium					7,820,868	807,825
Less: unamortized discount					(10,057)	(1,072)
Total business-type general obligation refunding bonds and certificates of obligation					$ 88,215,811	$ 7,246,753

Debt Service Requirements

Debt service requirements at September 30, 2023 for General Obligation Bonds and Certificates of Obligation are as follows:

	Governmental Activities				Business-type Activities	
	Bonds		Bonds Direct Borrowing		Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
Year ending September 30:						
2024	$ 31,250,000	$ 12,030,355	$ 350,000	$ 120,584	$ 6,440,000	$ 3,292,109
2025	21,780,000	9,929,209	285,000	101,588	6,570,000	2,828,181
2026	19,655,000	8,963,350	295,000	86,625	6,050,000	2,539,329
2027	16,205,000	8,120,350	315,000	71,135	5,785,000	2,267,879
2028	16,550,000	7,362,131	330,000	54,600	5,455,000	2,015,919
2029-2033	76,440,000	26,589,813	710,000	56,438	23,630,000	7,017,795
2034-2038	74,440,000	13,106,218	-	-	17,670,000	3,271,097
2039-2043	30,140,000	2,942,993	-	-	8,805,000	770,600
Totals	$ 286,460,000	$ 89,044,419	$ 2,285,000	$ 490,970	$ 80,405,000	$ 24,002,909

General Obligation Bonds

General Obligation bonds are secured by ad valorem taxes levied by the City. As part of the City's debt management practices, the City defeases certain debt issues and places the proceeds in an irrevocable trust for all future debt service payments on the previously issued bonds. Accordingly, the related trust assets and liabilities for the defeased bonds are not included in the City's financial statements. At September 30, 2023 there were no defeased bonds outstanding.

On May 24, 2023, the City issued $43,855,000 of General Obligation Bonds, Series 2023 with a true interest cost of 3.68%. The proceeds from the sale of the Bonds will be used for (i) acquiring, constructing, improving and maintaining streets, thoroughfares and alleyways within the City, traffic signalization and signage and traffic management equipment; (ii) constructing, improving, renovating, expanding and equipping municipal public buildings and the acquisition of land therefor, to-wit: renovating City Hall, the Richardson Public Library, Fire Station 5 and the Richardson Animal Shelter; (iii) constructing, improving, extending, repairing sidewalks and related improvements, (iv) planning, designing, constructing, improving, renovating, repairing, replacing, and expanding flood protection and storm drainage facilities and improvements, erosion control, including necessary and appropriate relocation of utilities and the acquisition of land related thereto, (v) designing, acquiring, constructing, renovating, improving, and equipping the City parks (including passive parks and open space improvements), and acquiring lands, interests in lands, and rights-of-way related thereto, and (vi) paying the costs of issuance in connection with issuing the Bonds.

Certificates of Obligation

Certificates of Obligation are secured by ad valorem taxes levied by the City and from a limited pledge of the net revenues of the City's Waterworks and Sewer System. On May 24, 2023, the City issued Series 2023 and 2023A for a total of $49,005,000 of Combination Tax and Revenue Certificates of Obligation. Series 2023 for $39,875,000 with a true interest cost of 3.48% ($1,255,000 for fire equipment, $15,130,000 for a radio system, $8,065,000 for Library renovations, $13,495,000 for Water/Sewer, and $1,930,000 for Solid Waste). Proceeds from the sale of the Series 2023 Certificates will be used for (i) acquiring vehicles and equipment for the fire and solid waste departments, (ii) improving and extending the City’s water and sewer system, and (iii) renovationg the Public Library. Series 2023A for $9,130,000 with a true interest cost of 5.04% for constructing, improving, renovation and equipping the City's municipal golf course.

General Obligations and Certificates of Obligation - Direct Borrowings

The City’s outstanding General Obligation Bonds and Certificates of Obligation from direct borrowings related to governmental activities of $2,285,000 are balloon instruments with the entire principal due on the final maturity date. They are subject to optional redemption in whole or in part, at the City’s discretion, on any date at the redemption price of par plus accrued interest to the date of redemption. Amortization shown in the preceding table is based on the City’s current debt issuance plan and all payments made to date.

Tax Anticipation Note - Direct Borrowing

On May 26, 2021 the City issued a $5,855,000 Tax Anticipation Note (Taxable) with a true interest cost of 1.15%. The Note was issued for the benefit of the Capital Fund to provide proceeds for constructing and equipping a parking facility for the City's performing arts center. The Note matures on February 15, 2028 and has stated maturities over the life of the note, with the majority of the principal due at final maturity. Similar to the City's direct borrowings, the Note is subject to redemption prior to maturity, at the option of the City, in whole or in part, on February 15, 2023, or any day thereafter at the redemption price of par plus accrued interest to the date of redemption. The Note is not callable by the lender. Since the Note cannot be redeemed earlier than February 15, 2023 and has annual maturities unless redeemed early, the City accounts for it as a long-term obligation. The outstanding balance as September 30, 2023 is $5,340,000.

The following is a schedule of future debt maturities relating to the tax anticipation note as of September 30, 2023:

	Principal	Interest	Total
Fiscal year ending September 30:			
2024	$ 3,420,000	$ 41,745	$ 3,461,745
2025	270,000	20,528	290,528
2026	275,000	17,394	292,394
2027	280,000	14,203	294,203
2028	1,095,000	6,296	1,101,296
Totals	$ 5,340,000	$ 100,166	$ 5,440,166

Ratings

Standard and Poor’s Ratings Services assigned its ‘AAA” rating with a stable outlook, to the City’s Combination Tax and Revenue Certificates of Obligation Series 2023 and the City's General Obligation Bonds Series 2023. Moody's Investors Service (Moody's) also assigned it 'Aaa" rating, with a stable outlook to each of these issues.

Bondholder Remedies

In an event of default in connection with (i) failure to make payment of the principal of or interest on any of the bonds when due and payable or (ii) the performance or observance of any other covenants, conditions or obligations in the Ordinance, the Holder of any of the City's bonded debt shall be entitled to a writ of mandamus issued by a court of proper jurisdiction against the governing body of the City and other officers of the City to observe and perform any covenant, condition or obligation prescribed in the Ordinance. The City's bonded debt does not contain any acceleration provisions in the event of default or termination.

Compensated Absences, Workers' Compensation, Post-Employment Benefits, and Arbitrage Rebate Liability

Governmental-type activities record liabilities for compensated absences, workers’ compensation claims, retiree post-employment costs, and arbitrage rebate at the government-wide statement level. Generally, the liabilities for compensated absences, workers’ compensation claims, and retiree postemployment costs are paid from the General Fund. Liabilities for the Business-type activities are recorded and liquidated in the fund that incurs the liability.

10. Direct Financed Purchases and Other Contractual Obligations

The following is a summary of other contractual obligation transactions of the City for the fiscal year ended September 30, 2023:

	Governmental-type Activities					
	Stryker	Utility Vehicle	Gas Golf Carts	Police Academy	Texas Comptroller of Public Accounts	Total
Balance at October 1, 2022	$ 1,177,768	$ 43,863	$ 203,305	$ 101,349	$ 408,098	$ 1,934,383
Payments	(217,156)	(10,121)	(20,209)	(71,071)	(112,812)	(431,369)
Balance at September 30, 2023	$ 960,612	$ 33,742	$ 183,096	$ 30,278	$ 295,286	$ 1,503,014

Financed Purchases

The City has entered into the following financed purchases:

Agreement with Stryker in July 2020, amended in August 2022, for fire/EMT equipment. The final annual payment of $265,069 is scheduled to be made in October 2027. The cost of the asset is $1,110,646. Accumulated depreciation was $474,200 and the related book value is $636,446 at September 30, 2023.

Agreement with GM Financial in February 2022, for a utility vehicle. The final annual payment of $12,477 is scheduled to be made in February 2026. The cost of the asset is $56,339. Accumulated depreciation was $21,127 and the related book value is $35,212 at September 30, 2023.

Agreement with Yamaha in January 2022, for gas golf carts. Annual payments of $28,320 with a final balloon payment of $107,712 scheduled for March 2027. The cost of the asset is $214,719 per agreement. Accumulated depreciation was $10,437 and the related book value is $204,282 at September 30, 2023.

The following is a schedule of the payments required under financed purchases at September 30, 2023:

Fiscal year ending, September 30	Stryker	Utility Vehicle	Gas Golf Carts
2024	$ 265,069	$ 12,477	$ 28,320
2025	265,069	12,477	28,320
2026	265,069	12,477	28,320
2027	265,069		119,512
Total minimum lease payments	1,060,276	37,431	204,472
Less amount representing interest	(99,664)	(3,689)	(21,376)
Present value of minimum lease payments	$ 960,612	$ 33,742	$ 183,096

Police

The City entered into an agreement with the City of Plano to develop a police academy to be used as a joint training facility. The City of Richardson and the City of Plano shared in the costs of improvements to the facilities.

The following is a schedule of future debt maturities relating to these contractual obligations as of September 30, 2023:

	Principal	Interest	Total
Fiscal year ending September 30:			
2024	$ 14,815	$ 1,403	$ 16,218
2025	15,463	773	16,236
Totals	$ 30,278	$ 2,176	$ 32,454

Other Obligations

During FY 2009 the Texas Comptroller of Public Accounts notified the City regarding an error in sales tax payments made to the City. This error was the result of a local business reporting and paying taxes incorrectly to the State Comptroller from January 1998 through December 2005. The local sales tax overpayment to the City in the amount of $2,143,331 was recorded as a liability and a reduction of sales tax revenue. The Comptroller's office had set up a 20-year payout arrangement, but the life of the obligation has been reduced by additional payments and adjusted due to the Comptroller suspending payments from April 2020 through January 2021 to help Texas cities deal with the COVID-19 pandemic and potential negative impacts on the economy. Payments of $112,812 were made during the fiscal year, and the balance at September 30, 2023 was $295,286.

11 Lease Obligations

The City has entered into multiple lease agreements as lessee. The leases allow the right-to-use of buildings, land, vehicles, and equipment over the term of the lease. The City is required to make periodic principal and interest payments using either its incremental borrowing rate or the interest rate stated/implied within the leases. Effective October 1, 2021, the City implemented GASB Statement No. 87, Leases. At implementation of this statement and the commencement of leases beginning after October 1, 2021, the City initially measured the lease liability at the present value of payments expected to be made during the remaining lease term. The lease rate, term and ending lease liability are as follows:

	Governmental Activities			
	Interest Rates	Beginning Balance	Lease Term in Months	Ending Balance
Governmental activities:				
Vehicle	0.31	$ 11,974	24	$ 2,998
Electric golf carts	0.298	151,813	31	56,014
Computer equipment	0.298	13,221	41	-
Land	0.298	1,791,986	41	897,326
Copiers	0.193	4,386	16	-
Buildings	2.26	-	44	4,847,361
Internal service funds:				
Postal equipment	2.186	35,717	60	28,500
Copiers	0.193-0.298	32,753	16-18	189,435
Total governmental activities		$ 2,041,850		$ 6,021,634

	Business Type Activities			
	Interest Rates	Beginning Balance	Lease Term in Months	Ending Balance
UTD Land	2.43	$ -	24	$ 140,594
Computer equipment	0.2980	-	29	7,762
Total busines type activities		$ -		$ 148,356

The future principal and interest payments as of September 30, 2023, were as follows:

	Governmental Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 2,232,375	$ 105,782	$ 2,338,157
2025	1,437,920	71,418	1,509,338
2026	1,509,900	38,031	1,547,931
2027	809,918	6,622	816,540
2028	31,521	420	31,941
Total	$ 6,021,634	$ 222,273	$ 6,243,907

	Business Type Activities		
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2024	$ 88,659	$ 2,515	$ 91,174
2025	59,697	526	60,223
Total	$ 148,356	$ 3,041	$ 151,397

12 SBITA

The City has entered into multiple Subscription-Based Information Technology (SBITA) agreements as lessee. The SBITAs allow the right-to-use of subscription-based software over the term of the lease. The City is required to make periodic principal and interest payments using either its incremental borrowing rate or the interest rate stated/implied within the SBITAs. Effective October 1, 2022, the City implemented GASB Statement No. 96, Subscription-Based Information Technology Arrangements. At implementation of this statement and the commencement of leases beginning after October 1, 2022, the City initially measured the SBITA liability at the present value of payments expected to be made during the remaining SBITA term. The SBITA rate, term and ending SBITA liability are as follows:

	Interest Rates	Liability at Commencement	Ending Balance
Governmental Activities:			
Axon Enterprise	3.1213 %	$ 1,089,968	$ 716,292
Internal Service Funds:			
Tyler Technologies	3.1213	5,645,202	5,331,806
Total		$ 6,735,170	$ 6,048,098

The future principal and interest payments as of September 30, 2023, were as follows:

	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	$ 1,084,946	$ 185,171	$ 1,270,117
2025	1,166,364	154,916	1,321,280
2026	905,894	118,510	1,024,404
2027	934,170	90,234	1,024,404
2028	963,328	61,076	1,024,404
2029-2030	993,396	31,007	1,024,403
Total	$ 6,048,098	$ 640,914	$ 6,689,012

13 TIF Obligations

The City has established three tax increment financing districts to facilitate new development and redevelopment within the community. Each district has a base year, and incremental property tax revenues exceeding the base year amount are collected into a special revenue fund. Additionally, other taxing entities may participate in the TIF districts. Each participating entity's governing body sets the percentage of increment and terms that they will contribute to the TIF fund.

The City Council, upon recommendation of the Council-appointed TIF Board for each district, can enter into economic grant agreements with developers which utilize TIF funds. Unlike other contractual obligations, TIF grants are subject to availability of TIF funds, and any balance owed to a developer at the termination of the TIF district will no longer be considered an obligation of the City.

The following table summarizes key statistics of each of the City's TIF districts.

	DISTRICT		
	1	2	3
Tax Year Established	2006	2011	2011
City's Participation	100%	66.67%	66.67%
Other Tax Entities Participating	Dallas County 65%	Collin County 50%	Collin County 50%
Tax Year Terminates	2031	2036	2036

An infrastructure reimbursement grant and development agreement was entered into with the City and Centennial Park Richardson, Ltd. in September 2007. This agreement provides for an economic development grant of $3,299,865 and a construction reimbursement grant of $5,912,299 plus 7% interest compounded annually until paid in full or termination of the agreement. The company has qualified for both grants. Funding for this grant is contingent upon the availability of tax revenues in the TIF District #1 from Sub Area No. 2. During the fiscal year the City paid the economic development grant in full. Any remaining balance is related to the construction reimbursement grant. A principal payment of $322,072 and an interest payment of $463,257 were made during the fiscal year.

An infrastructure reimbursement grant and development agreement was entered into with the City and Bush/75 Partners, LP in December 2012. The Agreement was subsequently assigned to BCS TIF Zone Two, LP, the ultimate developer for the project. The agreement provides for the reimbursement of infrastructure projects with an estimated value of $76,336,000 plus 5% interest annually until paid in full or termination of the agreement. The company has qualified for grants of $57,084,738 to date. Funding is contingent upon the availability of tax revenues in TIF District #2. Interest payments of $2,097,330 and a principal payment of $3,300,115 were made during the fiscal year.

An infrastructure reimbursement grant and development agreement was entered into with the City and BC Station Partners, L.P. in March 2015. This agreement provides for approximately $49,158,000 plus 5% interest annually until paid in full or termination of the agreement. The company has qualified for grants of $33,880,733 to date. Funding is contingent upon the availability of tax revenues in TIF District #3. An interest payment of $894,760 was made during the fiscal year.

An economic development agreement was entered into with the City and AGF Greenville II, Ltd. in April 2015. This agreement provides for a maximum grant amount of $5,500,000 plus 4% interest annually until paid in full or termination of the agreement. The agreement provides for the reimbursement of eligible costs for the acquisition of the land and demolition of existing improvements on the land. The company has qualified for the full amount of the grant. Funding is contingent upon the availability of tax revenues in the TIF District #1 from Sub Area No. 1B and Sub Area No. 4. An interest payment of $176,601 and a principal payment of $227,953 was made during the fiscal year.

An economic development agreement was entered into with the City and SAF 100 N. Central Ltd in March 2017. The Agreement was subsequently assigned to Richardson Gateway, LLC. This agreement provides for a maximum grant amount of $7,000,000 plus 5.25% interest annually until paid in full or termination of the agreement. The agreement provides for the reimbursement of eligible costs for the acquisition of the land and demolition of existing improvements on the land. The company has qualified for the full amount of the grant. Funding is contingent upon the availability of tax revenues in TIF District #1 from Sub Area No. 1A and Sub No. 1B. An interest payment of $293,771 and a principal payment of $138 was made during the fiscal year.

The following is a summary of the principal balance of the infrastructure reimbursement grants and development agreements associated with the Tax Increment Financing Districts:

	TIF DISTRICT 1			TIF DISTRICT 2	TIF DISTRICT 3	
	Centennial Park	AGF Greenville II, Ltd.	Richardson Gateway LLC	BCS TIF Zone 2	BC Station Partners, L.P.	Total
Balance at October 1, 2022	$ 6,234,371	$ 4,274,505	$ 5,624,537	$ 40,611,427	$ 33,880,733	$ 90,625,573
Payments	(322,072)	(227,953)	(138)	(3,300,115)	-	(3,850,278)
Balance at September 30, 2023	$ 5,912,299	$ 4,046,552	$ 5,624,399	$ 37,311,312	$ 33,880,733	$ 86,775,295

14 Risk Management

The City maintains a self-insured program for workers' compensation. The City utilizes TRISTAR Risk Management as the third party administrator for this program. During fiscal year 2022-2023, a total of $192,516 was paid in administrative costs that were recorded as an expenditure/expense in the General Fund, Proprietary Funds and Central Services Fund. In addition, claims and benefits paid in the amounts of $529,773 and $171,102 have been recorded as expenditures/expenses in the Governmental Funds and Proprietary Funds, respectively.

The City also maintains a self-insured medical program known as "CORPlan" which is accounted for as an Internal Service Fund. This program provides participants with unlimited health benefit coverage. The City purchases commercial insurance for claims in excess of $350,000 for each employee in a plan year. In fiscal year 2022-2023, the City did not receive any refunds from the commercial insurance carrier.

All funds with full-time employees participate in the program and make payments to the Insurance Fund based on estimates of the amounts needed to pay prior and current year claims. Accounting standards require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and that the amount of the loss can be reasonably estimated. The City's consultant estimated the liability to be $977,591 for unpaid claims and claim adjustment expenses at September 30, 2023. The liability for unpaid claims includes the effects of specific incremental claims, adjustment expenses, and if probable and material, salvage and subrogation. The City currently does not discount its unpaid claims liabilities.

Reconciliation of Unpaid Claims Liabilities

	2023	2022
Incurred claims and claim adjustment expenses:		
Unpaid claims and claim adjustment expenses at beginning of year	$ 930,186	$ 1,007,097
Incurred claims and claim adjustment expenses:		
Provision for insured events of the current year	14,204,069	12,375,289
Increase (decrease) in prior year provision	(280,803)	(407,116)
Total incurred claims and claim adjustment expenses	14,853,452	12,975,270
Payments:		
Claims and claim adjustment expenses attributable to insured events of the current year	13,226,478	11,445,103
Claims and claim adjustment expenses attributable to insured events of prior years	649,383	599,981
Total payments	13,875,861	12,045,084
Total unpaid claims and claim adjustment expenses at end of year	$ 977,591	$ 930,186

15 Interfund Charges

The City allocates a percentage of the salaries and wages and related costs of personnel who perform general and administrative services for various funds but are paid from the General Fund. During the year ended September 30, 2023, the City allocated $9,558,010 for such services.

16 Tax Abatement and Economic Incentives

The City enters into economic development agreements designed to promote development and redevelopment within the City, spur economic improvement, stimulate commercial activity, generate additional sales tax and enhance the property tax base and economic vitality of the City. These programs abate or rebate property taxes and sales tax, and also include incentive payments and reductions in fees that are not tied to taxes. The City's economic development agreements are authorized under Chapter 380 of the Texas Local Government Code and Chapter 311 (Tax Increment Financing Act) and 312 (Property Redevelopment and Tax Abatement Act) of the Texas Tax Code. Recipients may be eligible to receive economic assistance based on the employment impact, economic impact or community impact of the project requesting assistance. Recipients receiving assistance generally commit to building or remodeling real property and related infrastructure, demolishing and redeveloping outdated properties, expanding operations, renewing facility leases, or bringing targeted businesses to the City. Agreements generally contain recapture provisions which may require repayment or termination if recipients do not meet the required provisions of the economic incentives.

The City has four categories of economic development agreements:

- Home Improvement Incentive Program – The purpose of this program is to provide an economic incentive under Chapter 380 of the Texas Local Government Code to encourage reinvestment in residential neighborhoods. The property owner commits to making at least $20,000 in improvements to the residential property within 24 months of entering into the agreement. A one-time incentive payment equal to 10 times the amount of the increase in City taxes will be paid to the property owner based on the property's pre-construction and post-construction appraised value. The City provided $1,484,650 in incentive payments under this program in fiscal year 2023.

- Tax Abatements – Tax Abatements under Chapter 312 of the Texas Tax Code allow the City to designate tax reinvestment zones and negotiate tax abatement agreements with applicants. These abatement agreements authorize the appraisal districts to reduce the assessed value of the taxpayer's property by a percentage specified in the agreement, and the taxpayer will pay taxes on the lower assessed value during the term of the agreement. Property taxes abated under this program were $1,718,404 in fiscal year 2023.

- General Economic Development – The City enters into various agreements under Chapter 380 of the Texas Local Government Code to stimulate economic development. Agreements may rebate a flat amount or percentage of property taxes or sales tax received by the City, may result in fee reductions such as utility charges or building inspection fees, or make lump sum payments to offset moving expenses, tenant finish-outs, demolition costs, infrastructure reimbursements, redevelopment costs or other expenses. For fiscal year 2023, the City rebated $2,727,062 in taxes, reduced fees by $10,605,036 and made incentive payments of $907,496 under these agreements.

- Tax Increment Financing – The City has adopted three Tax Increment Financing zones (TIFs) under Chapter 311 of the Texas Tax Code. The City enters into economic development and infrastructure reimbursement agreements which earmark TIF revenues for payment to developers and represent obligations over the life of the TIF or until all terms of the agreements have been met. These obligations are more fully described in Note 13. Additionally, the City enters into general economic development agreements under Chapter 380 of the Texas Local Government Code which are funded with TIF resources. The City made $7,775,996 in payments for TIF obligations, and $1,501,000 in TIF incentives, from general TIF resources.

17 Contingent Liabilities

Litigation

Various claims and lawsuits are pending against the City. In the opinion of City management and the City's attorneys, the potential loss on all claims and lawsuits will not be significant to the City's financial statements.

Grant Audit

The City receives federal and state grants for specific purposes that are subject to review and audit by federal and state agencies. Such audits could result in a request for reimbursement by the federal and state agencies for expenditures disallowed under the terms and conditions of the grant agreements of the appropriate agency. In the opinion of the City management, such disallowance, if any, will not be significant to the City's financial statements.

18 Other Postemployment Benefits (OPEB)

Retiree Health Benefits

Plan Description

The City of Richardson single-employer, defined benefit OPEB plan, CORPlan, is administered by the City and provides health-care benefits, in accordance with City policy. All employees who are vested in the City's pension plan, Texas Municipal Retirement System, are eligible for these benefits with 20 years or more of service, regardless of age, or with 5 years of service at age 60 and above. Coverage is also available to dependents or surviving spouses of retirees. Coverage for retirees age 65 and over is provided through a separate, fully insured plan. The City subsidizes medical, dental, and hospitalization costs incurred by retirees and their dependents. Recommendations for plan benefits are presented to City Council for their approval during the annual budget process. The plan is accounted for in the City's Insurance fund as well as the Water and Sewer, Solid Waste, and Central Services funds. A separate financial statement is not issued for the plan. As of September 30, 2023 there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Employees covered by benefit terms

At the December 31, 2022 measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	310
Active employees	949
	1,259

Contributions

Effective January 1, 2014, the City provides a $200 per month, post-65 subsidy to retirees with 20 or more years of City service. This amount is capped at that level by council action. Sample contribution rates under the City's health plans for retirees under age 65 and their dependents are based on the length of service of the retiree as shown below.

	"Green Plan" - HDHP (w/HSA)		
	Under 15	15 - 19	20+
Years of service:			
Retiree only	$ 924	$ 648	$ 373
Retiree/spouse	1,851	1,295	739
Surviving spouse	926	697	467
Retiree/family	2,576	1,716	856

	"Red Plan" - Traditional PPO		
	Under 15	15 - 19	20+
Years of service:			
Retiree only	$ 1,109	$ 803	$ 465
Retiree/spouse	2,196	1,549	900
Surviving spouse	1,223	842	583
Retiree/family	3,053	2,048	1,041

Total OPEB Liability

The City's Total OPEB Liability was determined by an actuarial valuation performed on December 31, 2022 and the measurement date of December 31, 2022.

Actuarial assumptions

Actuarial valuations involve the use of estimates and assumptions about the probability of events far into the future, including, but not limited to, assumptions about length of employee service, mortality rates, and future costs of healthcare. The valuation will be updated at least every two years and actual results will be compared with past expectations. As a result of these comparisons, new estimates and assumptions will be made about future results of the plan. Valuations are made based on the benefits in place at the time of the valuation. Any changes in the benefits offered or the contribution rates would impact future valuations. The demographic assumptions are based on the assumptions that were developed for the defined benefit pension plan in which the City participates, the Texas Municipal Retirement System (TMRS). Actuarial techniques include smoothing mechanisms that take a long-term approach in the valuation of assets and liabilities of the plan and are designed to reduce short-term volatility in the measurement of these assets and liabilities.

The actuarial assumptions used to value the liabilities are summarized below:

Actuarial Cost Method	Individual Entry-Age
Discount Rate	4.05% as of December 31, 2022
Inflation	2.50%
Salary Increases	3.50% - 11.50%
Health Care Trend Rate	7.00%, declining to 4.25% after 15 years

Participation rate assumptions for retirees who choose to receive health care benefits is based on years of City service. The election rate for retirees with less than 15 years of service is 0%, and from 15 to 19 years of service the election rate is 15%. For retirees with 20 years or greater of service, the election rate is 45% if retiring before age 50 and 70% at age 50 or above.

Demographic assumptions are based on the experience study conducted by TMRS for the four-year period ending December 31, 2018. Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the gender-distinct 2019 Municipal Retirees of Texas mortality tables. The rates are projected on a fully generational basis using the ultimate mortality improvement rates in the MP tables published through 2019 to account for future mortality improvements.

Discount Rate

The discount rate used to measure the Total OPEB Liability was 4.05%. The discount rate is equal to the tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date of December 31, 2022. For the purpose of this valuation, the municipal bond rate is 4.05% based on the daily rate closest to but not later than the measurement date of the Fidelity 20-Year Municipal GO AA Index. The discount rate was 1.84% as of December 31, 2021, the prior measurement date.

Sensitivity of the Discount Rate and the Health Care Cost Trend Rate

The following table presents the sensitivity of the Total OPEB Liability to changes in the discount rate when calculating it at 1-percentage-point-lower (3.05%) and 1-percentage-point-higher (5.05%).

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

1% Decrease 3.05%	Current Single Rate Assumption 4.05%	1% Increase 5.05%
$ 54,351,943	$ 49,279,894	$ 44,797,091

The following table presents the sensitivity of the Total OPEB Liability to changes in the health care trend rate when calculating it at 1-percentage-point-lower (6.00%) and 1-percentage-point-higher (8.00%).

Sensitivity of the Total OPEB Liability to Changes in the Health Care Trend Rate

1% Decrease 6.00%	Current Single Rate Assumption 7.00%	1% Increase 8.00%
$ 45,192,152	$ 49,279,894	$ 54,113,441

Schedule of Changes in Total OPEB Liability

	Total OPEB Liability
Beginning balances	$ 61,387,466
Changes for the year:	
Service cost	3,023,443
Interest on the Total OPEB Liability	1,140,456
Differences between expected and actual experience	(4,871,675)
Changes in assumptions	(9,563,999)
Benefit payments	(1,835,797)
Net changes	(12,107,572)
Ending balance	$ 49,279,894

OPEB Expense and Deferred Outflows/(Inflows) of Resources

For the year ended September 30, 2023 the City recognized $3,325,610 for OPEB expense. Deferred outflows of resources and deferred inflows of resources related to OPEB are from the below sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 683,052	$ (4,378,223)
Changes of assumptions	3,783,765	(8,573,344)
Contributions subsequent to the measurement date	1,965,386	-
Total	$ 6,432,203	$ (12,951,567)

Of the $6,432,203 total for deferred outflows of resources, $1,965,386 from City contributions made subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending 9/30/2023. The remainder of the total net deferred outflows/inflows of resources, $(8,484,750) will be recognized in OPEB expense as follows:

Fiscal Year	Net Deferred outflows (inflows) of resources
2024	$ (838,289)
2025	(840,616)
2026	(1,218,291)
2027	(1,308,605)
2028	(1,663,393)
Thereafter	(2,615,556)
Total	$ (8,484,750)

COBRA Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the City makes health care benefits available to eligible former employees and eligible dependents. The federal government outlines certain requirements for this coverage. The premium plus a two percent administration fee is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for 18 months after the employee's termination date. The City makes no contribution under this program. There were no participants in the program as of September 30, 2023.

19 Pension Benefits

Plan Description

The City of Richardson participates as one of 919 cities in the joint contributory, hybrid defined benefit pension plan administered by the Texas Municipal Retirement System (TMRS). TMRS is an agency created by the State of Texas and administered in accordance with the TMRS Act, Subtitle G, Title 8, Texas Government Code (the TMRS Act) as an agent multiple-employer retirement system for municipal employees in the State of Texas. The TMRS Act places the general administration and management of the System with a six-member Board of Trustees. Although the Governor, with the advice and consent of the Senate, appoints the Board, TMRS is not fiscally dependent on the State of Texas. TMRS's defined benefit pension plan is a tax-qualified plan under Section 401(a) of the Internal Revenue Code.

All eligible employees of the city are required to participate in TMRS.

Benefits Provided

TMRS provides retirement, disability, and death benefits. Benefit options are adopted by the governing body of the city, within the options available in the state statutes governing TMRS.

At retirement, the benefit is calculated as if the sum of the employee's contributions, with interest, and the city-financed monetary credits with interest were used to purchase an annuity. Members may choose to receive their retirement benefit in one of seven payments options. Members may also choose to receive a portion of the employee's contributions as a Partial Lump Sum Distribution in an amount equal to 12, 24, or 36 monthly payments, which cannot exceed 75% of the member's deposits and interest.

Plan provisions for the City are as follows:

Employee deposit rate	7% of Earnings
City matching rate	200%
Vesting period	5 Years
Retirement years (age/years of service)	60/5, Any/20
Updated service credit	50% (Repeating)
Annuity increase (to retirees)	50% of the change in CPI (Repeating)

Additional information related to the TMRS Plan is located in the TMRS ACFR https://www.tmrs.com/down/pubs/ACFR_2022/ACFR_2022.pdf.

Employees covered by benefit terms

At the December 31, 2022 valuation and measurement date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	913
Inactive employees entitled to but not yet receiving benefits	582
Active employees	950
Total	2,445

Contributions

The contribution rates for employees in TMRS are either 5%, 6% or 7% of employee gross earnings, and the city matching percentages are either 100%, 150% or 200%, both as adopted by the governing body of the city. Under the state law governing TMRS, the contribution rate for each city is determined annually by the actuary, using the Entry Age Normal (EAN) actuarial cost method. The actuarially determined rate is the estimated amounts necessary to finance the cost of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability.

Employees for the City of Richardson were required to contribute 7% of their annual gross earnings during the fiscal year. The contribution rates for the City of Richardson were 14.07% and 15.08% in calendar years 2022 and 2023, respectively. The City's contributions to TMRS for the year ended September 30, 2023, were $13,071,266 which exceeded the required contributions by $517,961.

Net Pension Liability

The City's Net Pension Liability (NPL) was measured as of December 31, 2022, and the Total Pension Liability (TPL) used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date.

Actuarial assumptions

The Total Pension Liability in the December 31, 2022 actuarial valuation was determined using the following assumptions:

Inflation	2.50% per year
Overall payroll growth	3.5% to 11.5% including inflation
Investment Rate of Return	6.75% net of pension plan investment expense, including inflation

Salary increases were based on a service-related table. Mortality rates for active members, retirees, and beneficiaries were based on the 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Other actuarial assumptions used in the December 31, 2022, valuation were based on the results of actuarial experience studies. The experience study in TMRS was for the period December 31, 2014 through December 31, 2018. They were adopted in 2019 and first used in the December 31, 2019 actuarial valuation. Annuity purchase rates were updated based on a Mortality Experience Investigation Study covering 2009 through 2011 and dated December 31, 2013. These assumptions were first used in the December 31, 2013 valuation. Post-retirement mortality rates are based on the 2019 Municipal Retirees of TExas Mortality Tables and projected on a fully generational basis with scale UMP. Assumptions are reviewed annually.

After an Asset Allocation Study conducted in 2015, the TMRS Board amended the long-term expected rate of return on pension plan investments from 7% to 6.75%. The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the TMRS Board of Trustees. Plan assets are managed on a total return basis with an emphasis on both capital appreciation as well as the production of income, in order to satisfy the short-term and long-term funding needs of TMRS.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return (Arithmetic)*
Global Public Equity	35.00 %	7.70
Core Fixed Income	6.00	4.90
Non-Core Fixed Income	20.00	8.70
Public and Private Markets	12.00	8.10
Real Estate	12.00	5.80
Hedge Funds	5.00	6.90
Private Equity	10.00	11.80
Total	100.00 %	

Discount Rate

The discount rate used to measure the Total Pension Liability (Asset) was 6.75%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made at the rates specified in statute, and was projected over a period of 100 years. Based on that assumption, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

Sensitivity of Discount Rate

The following table presents the sensitivity of the Net Pension Liability (Asset) to changes in the discount rate when calculating it at 1-percentage-point-lower (5.75%) and 1-percentage-point-higher (7.75%).

Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate		
1% Decrease 5.75%	Current Single Rate Assumption 6.75%	1% Increase 7.75%
$164,306,205	$82,956,081	$15,394,516

Pension Plan Fiduciary Net Position

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the Fiduciary Net Position of TMRS (including additions to/deductions from the TMRS's Fiduciary Net Position) have been determined on the same basis as they are reported by TMRS. For this purpose, plan contributions are recognized in the period that compensation is reported for the employee, which is when contributions are legally due. The Pension Plan Trust Fund is maintained on the accrual basis of accounting. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. Detailed information about the pension plan's Fiduciary Net Position is available in a separately-issued TMRS financial report. That report may be obtained on the Internet at www.tmrs.com.

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Current Period

	Increase (Decrease)
Total pension liability:	
Service Cost	$ 11,995,305
Interest (on the Total Pension Liability)	40,825,471
Changes of benefit terms	2,679,847
Difference between expected and actual experience	4,412,563
Benefit payments, including refunds of employee contributions	(33,826,183)
Net Change in Total Pension Liability	26,087,003
Total Pension Liability - Beginning	613,057,391
Total Pension Liability - Ending (A)	639,144,394
Plan Fiduciary Net Position:	
Contributions - Employer	11,656,337
Contributions - Employee	5,424,864
Net Investment Income	(45,060,193)
Benefit payments, including refunds of employee contributions	(33,826,183)
Administrative expense	(390,319)
Other	465,766
Net Change in Plan Fiduciary Net Position	(61,729,728)
Plan Fiduciary Net Position - Beginning	617,918,041
Plan Fiduciary Net Position - Ending (B)	556,188,313
Net Pension Liability (Asset) - Ending (A-B)	$ 82,956,081
Plan Fiduciary Net Position as Percentage of Total Pension Liability (Asset)	87.02 %

*FNP may be off a dollar due to rounding

The net pension liability (asset) and the total pension liability were calculated by Gabriel, Roeder, Smith & Company ("GRS"). The measurement date and the actuarial valuation date was December 31, 2022.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended September 30, 2023 the City recognized pension expense of $21,694,481. Deferred outflows of resources and deferred inflows of resources related to pensions are from the below sources.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 6,898,511	$ (712,136)
Net difference between projected and actual earnings on pension plan investments	38,456,673	-
Difference in assumptions	6,444	-
Employers' Contributions to the pension plan subsequent to the measurement date	10,111,491	-
Total	$ 55,473,119	$ (712,136)

Of the $55,473,119 total for deferred outflows of resources, $10,111,491 from City contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending 9/30/2024. The remainder of the total net deferred outflows/inflows of resources, $44,649,492, related to pensions will be recognized in pension expense as follows:

Fiscal Year	Net deferred outflows (inflows) of resources
2024	$ 3,675,341
2025	12,030,601
2026	11,589,618
2027	17,353,932
Total	$ 44,649,492

REQUIRED SUPPLEMENTARY INFORMATION

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CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Budgetary Comparison Schedule - General Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with Final Budget-Positive
	Original	Final	Basis	Budget Basis	Basis	(Negative)
Revenues						
Property taxes	$ 70,241,725	$ 69,705,156	$ 68,207,732	$ 777,893	$ 68,985,625	$ (719,531)
Franchise fees	17,013,605	18,679,764	19,122,638	-	19,122,638	442,874
Sales tax	51,827,819	57,574,729	58,104,966	1,789,390	59,894,356	2,319,627
Mixed beverage and bingo tax	676,644	740,007	788,481	-	788,481	48,474
911 revenue	688,079	579,470	559,524	-	559,524	(19,946)
Intergovernmental revenue	141,013	74,500	141,623	-	141,623	67,123
Licenses and permits	2,932,138	3,149,623	3,111,881	-	3,111,881	(37,742)
Fines and forfeitures	2,072,827	1,903,303	1,833,293	(189,991)	1,643,302	(260,001)
Interest revenue	998,673	2,619,017	3,216,506	(468,774)	2,747,732	128,715
Recreation and leisure	3,516,566	3,703,865	4,063,789	-	4,063,789	359,924
Public safety	-	-	3,970,016	-	3,970,016	3,970,016
Other	3,851,044	3,927,196	705,361	-	705,361	(3,221,835)
General administration	10,258,010	10,258,010	9,558,010	-	9,558,010	(700,000)
Contributions	-	-	67,899	-	67,899	67,899
Total revenues	164,218,143	172,914,640	173,451,719	1,908,518	175,360,237	2,445,597
Expenditures						
Current:						
General government	39,451,008	40,174,366	37,001,486	2,835,436	39,836,922	337,444
Public safety	64,096,610	64,326,814	62,581,152	497,128	63,078,280	1,248,534
Public services	24,494,052	23,814,555	22,634,443	513,647	23,148,090	666,465
Library	3,758,247	3,723,278	3,653,206	25,459	3,678,665	44,613
Parks and recreation	13,643,679	13,712,043	13,542,489	182,682	13,725,171	(13,128)
Public health	2,234,233	2,136,811	2,120,485	-	2,120,485	16,326
Capital outlay	-	-	1,159,003	(1,089,968)	69,035	(69,035)
Debt service						
Interest and fiscal charges	-	-	3,706	(3,706)	-	-
Payments for other obligations	-	-	486,488	(486,488)	-	-
Total expenditures	147,677,829	147,887,867	143,182,458	2,474,190	145,656,648	2,231,219
Excess of revenues over expenditures	16,540,314	25,026,773	30,269,261	(565,672)	29,703,589	4,676,816
Other financing sources (uses)						
Transfers in	-	-	700,000	-	700,000	700,000
Transfers out	(15,530,782)	(24,160,782)	(29,055,782)	-	(29,055,782)	(4,895,000)
Proceeds from sale of capital assets	-	-	1,750	-	1,750	1,750
Insurance and other recoveries	-	-	6,844	-	6,844	6,844
Issuance of other obligations	-	-	1,089,968	(1,089,968)	-	-
Total other financing sources (uses)	(15,530,782)	(24,160,782)	(27,257,220)	(1,089,968)	(28,347,188)	(4,186,406)
Net change in fund balance	1,009,532	865,991	3,012,041	(1,655,640)	1,356,401	490,410
Fund balances, October 1	41,336,395	41,336,395	41,336,395	-	41,336,395	-
Fund balances, September 30	$ 42,345,927	$ 42,202,386	$ 44,348,436	$ (1,655,640)	$ 42,692,796	$ 490,410

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Hotel/Motel Tax Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Hotel/motel taxes	$ 3,470,800	$ 4,684,104	$ 4,915,108	$ 231,004
Parking Fees	323,933	351,670	463,129	111,459
Eisemann center revenue	1,659,450	2,167,134	2,005,232	(161,902)
Interest revenue (temporary loss)	81,023	257,455	628,950	371,495
Other	-	-	81,719	81,719
Contributions	-	-	506	506
Total revenues	5,535,206	7,460,363	8,094,644	634,281
Expenditures:				
General government	4,890,627	5,629,636	5,803,996	(174,360)
Capital outlay	110,000	155,000	-	155,000
General administration	475,416	475,416	475,416	-
Total expenditures	5,476,043	6,260,052	6,279,412	(19,360)
Excess (deficiency) of revenues over (under) expenditures	534,579	1,675,727	1,815,232	139,505
Other financing sources (uses):				
Transfers out	-	(900,000)	(900,000)	-
Total other financing sources (uses)	-	(900,000)	(900,000)	-
Net change in fund balance	534,579	775,727	915,232	614,921
Fund balances, October 1	6,595,282	6,595,282	6,595,282	-
Fund balances, September 30	$ 7,129,861	$ 7,371,009	$ 7,510,514	$ 139,505

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2023

Schedule of Changes in Total OPEB Liability and Related Ratios
Last 10 Calendar Years*

	2022	2021	2020	2019	2018	2017
Total OPEB liability:						
Service cost	$ 3,023,443	$ 2,805,395	$ 2,513,572	$ 1,979,670	$ 1,981,275	$ 1,656,080
Interest (on the total OPEB liability)	1,140,456	1,176,485	1,445,329	1,871,002	1,568,415	1,640,160
Differences between expected and actual experience	(4,871,675)	(71,716)	(139,592)	(72,942)	1,906,943	105,618
Change of Assumptions	(9,563,999)	1,022,921	4,123,289	(173,959)	(660,122)	2,443,407
Benefit Payments, Including Refunds of Employee Contributions	(1,835,797)	(1,934,353)	(1,709,027)	(1,780,176)	(1,716,882)	(1,628,228)
Net change in total OPEB liability	(12,107,572)	2,998,732	6,233,571	1,823,595	3,079,629	-
Total OPEB liability - beginning	61,387,466	58,388,734	52,155,163	50,331,568	47,251,939	43,034,902
Total OPEB liability - ending	$ 49,279,894	$ 61,387,466	$ 58,388,734	$ 52,155,163	$ 50,331,568	$ -
Covered employee payroll	77,454,305	76,826,799	75,577,640	76,353,079	73,564,399	70,946,642
Total OPEB liability as a percentage of covered employee payroll	63.62 %	79.90 %	77.26 %	69.31 %	68.42 %	- %

Changes of Assumptions. Changes of assumptions and other inputs reflect the effects of changes in the discount rate in each period. The discount rate changed from 1.84% as of December 31, 2021 to 4.05% as of December 31, 2022.

*Note: The City implemented GASB 75 in FY 2018 with actuarial data as of December 31, 2017, therefore the required information for this schedule will be built over the next five calendar years.

As of September 30, 2021 there are no plan assets accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2023

Schedule of Pension Contributions
Last 10 Fiscal Years*

	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially Determined Contribution	$ 13,612,611	$ 11,114,342	$ 11,364,819	$ 11,036,813	$ 10,981,704	$ 10,828,353	$ 10,000,938	$ 8,960,805	$ 9,092,062
Contributions in relation to the actuarially determined contribution	(13,071,266)	(11,655,687)	(11,490,448)	(12,704,395)	(11,146,767)	(10,828,353)	(10,000,938)	(8,960,805)	(9,092,062)
Contribution deficiency (excess)	$ 541,345	$ (541,345)	$ (125,629)	$ (1,667,582)	$ (165,063)	$ -	$ -	$ -	
Covered payroll	$ 84,552,900	$ 77,964,464	$ 76,858,905	$ 75,768,351	$ 75,570,212	$ 72,840,621	$ 70,066,638	$ 67,329,906	$ 65,295,964
Contributions as a percentage of covered payroll	16.10 %	14.26 %	14.79 %	14.57 %	14.53 %	14.87 %	14.27 %	14.31 %	13.92 %

NOTES TO SCHEDULE OF CONTRIBUTIONS

Valuation Date	Actuarially determined contribution rates are calculated as of December 31 and become effective in January, thirteen months later.
Notes	
Methods and Assumptions Used to Determine Contribution Rates:	
Actuarial Cost Method	Entry Age Normal
Amortization Method	Level Percentage of Payroll, Closed
Remaining Amortization Period	23 years
Asset Valuation Method	10 Year smoothed market, 12% soft corridor
Inflation	2.50%
Salary Increases	3.50% to 11.5% including inflation
Investment Rate of Return	6.75%
Retirement Age	Experience-based table of rates that are specific to the City's plan of benefits. Last updated for the 2019 valuation pursuant to an experience study of the period 2014-2018.
Mortality	Post-retirement: 2019 Municipal Retirees of Texas Mortality Tables. The rates are projected on a fully generational basis with scale UMP. Pre-retirement: PUB(10) mortality tables, with the Public Safety table used for males and the General Employee table used for females. The rates are projected on a fully generational basis with scale UMP.
Other Information:	
Notes	Adopted 20 yr, any age retirement eligibility

*Note: The City implemented GASB 68 in FY 2015, therefore the required information for this schedule will be built over time.

CITY OF RICHARDSON, TEXAS
Required Supplementary Information
Year ended September 30, 2023

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios
Last 10 Calendar Years*

	2022	2021	2020	2014	2018	2017	2016	2015	2014
Total pension liability:									
Service cost	$ 11,995,305	$ 11,524,130	$ 11,321,609	$ 11,430,056	$ 11,005,234	$ 10,613,618	$ 10,202,479	$ 9,282,442	$ 8,595,083
Interest (on the Total Pension Liability)	40,825,471	38,939,714	37,728,817	36,261,004	34,850,859	33,439,920	31,995,989	31,310,006	30,001,418
Changes of benefit terms	2,679,847	-	-	-	-	-	-	-	-
Differences between expected and actual experience	4,412,563	6,716,536	(2,342,984)	1,280,146	243,478	(313,905)	648,556	(1,241,285)	(142,357)
Change of assumptions	-	-	-	56,972	-	-	-	7,343,227	-
Benefit payments, including refunds of employee contributions	(33,826,183)	(30,491,141)	(27,247,853)	(27,209,284)	(23,632,610)	(22,432,659)	(20,889,414)	(19,961,687)	(20,245,744)
Net change in Total Pension Liability	26,087,003	26,689,239	19,459,589	21,818,894	22,466,961	21,306,974	21,957,610	26,732,703	-
Total Pension Liability - Beginning	613,057,391	586,368,152	567,208,565	545,389,671	522,922,710	501,615,736	479,358,126	452,625,423	434,417,023
Total Pension Liability - Ending (A)	$ 639,144,394	$ 613,057,391	$ 586,668,154	$ 567,208,565	$ 545,389,671	$ 522,922,710	$ 501,315,736	$ 479,358,126	$ -
Plan fiduciary Net Position									
Contributions - Employer	$ 11,656,337	$ 11,485,650	$ 12,568,995	$ 11,399,536	$ 10,887,470	$ 10,342,735	$ 9,073,163	$ 9,067,267	$ 9,312,812
Contributions - Employee	5,424,864	5,377,928	5,291,206	5,479,173	5,149,508	4,967,489	4,767,618	4,599,369	4,541,066
Net Investment Income	(45,060,193)	72,835,182	40,100,443	72,190,327	(14,664,558)	60,507,332	28,105,129	622,684	23,194,326
Benefit payments, including refunds of employee contributions	(33,826,183)	(30,491,141)	(27,247,853)	(27,209,284)	(23,632,610)	(22,432,659)	(20,889,414)	(19,961,687)	(20,245,744)
Administrative expense	(390,319)	(337,211)	(259,633)	(408,090)	(283,512)	(313,643)	(317,470)	(379,292)	(242,173)
Other	465,766	2,309	(10,130)	(12,259)	(14,812)	(15,895)	(17,105)	(18,735)	(19,911)
Net change in plan fiduciary net position	(61,729,728)	58,872,717	30,443,028	61,439,403	(22,558,514)	53,055,359	20,721,921	6,070,394	-
Plan Fiduciary Net Position - Beginning	617,918,041	559,045,324	528,602,296	467,162,893	489,721,409	436,066,048	415,944,127	422,014,521	405,474,145
Plan Fiduciary Net Position - Ending (B)	$ 556,188,313	$ 617,918,041	$ 559,045,324	$ 528,602,296	$ 467,162,895	$ 489,121,407	$ 436,666,048	$ 415,944,127	$ -
Net Pension Liability (Asset)- Ending (A-B)	$ 82,956,081	$ (4,860,650)	$ 27,622,830	$ 38,606,269	$ 78,226,776	$ 33,801,303	$ 64,649,688	$ 63,413,999	$ -
Plan Fiduciary Net Position as a Percentage of Total Pension Liability (Asset)	87.02 %	100.79 %	95.29 %	93.19 %	85.66 %	93.54 %	87.10 %	86.77 %	- %
Covered payroll	$ 77,439,024	$ 76,827,535	$ 75,578,149	$ 76,353,079	$ 73,564,399	$ 70,946,642	$ 68,061,898	$ 65,693,151	$ 64,872,361
Net Pension Liability (Asset) as a Percentage of Covered Payroll	107.12 %	(6.33)%	36.55 %	50.56 %	106.34 %	47.64 %	94.99 %	(96.53)%	- %

* The City implemented GASB 68 in FY 2015 with actuarial data as of December 31, 2014, therefore the required information for this schedule will be built over time.

(A) Budgetary Information

As set forth in the City Charter, the City Council adopts annual budgets for the General Fund, the Debt Service Fund, Special Revenue Funds, Enterprise Funds, and Internal Service Funds. These annual budget adoptions are prepared in accordance with the basis of accounting utilized by each fund, with certain exceptions made for non-cash GAAP adjustments such as accruals for court fines or mark to market interest revenue adjustments. The budgets for the Enterprise Funds are prepared under a basis consistent with accounting principles generally accepted in the United States, except that depreciation, certain capital expenses, nonoperating income and certain nonoperating expense items are not considered. The legal level of control for each budget is at the fund level. That is to say, that total expenditures for each fund should not exceed total budgeted expenditures for that fund. The City Council is authorized to transfer budgeted amounts within and among departments and ratifies, through the Budget Ordinance, any transfers and/or amendments made by the City Manager. Subsequent to year-end, the Budget Department provides the City Council with the adopted budgets. The Solid Waste and Water and Sewer Funds include amounts for operations and debt service.

	Original Budget	Amended Budget
General	$ 163,208,611	$ 172,048,649
Hotel/Motel Tax	5,476,043	7,160,052
Debt Service	44,487,268	44,487,268
Water and Sewer	95,259,125	101,090,786
Solid Waste Services	17,460,060	17,360,722
Internal Service (Combined)	18,692,499	18,913,336
Municipal Court Building Security	73,605	78,666
Technology	60,990	64,008
Judicial Efficiency	26,045	21,380
Municipal Jury Fund	1,500	1,500
Juvenile Case Manager	62,636	64,380
Tax Increment Financing #1	14,294,570	6,422,911
Tax Increment Financing #2	6,375,599	5,418,278
Tax Increment Financing #3	1,081,235	894,760
Federal Grants	11,483,005	15,907,120
State Grants	-	16,250
Special Police	172,870	131,870
Wireless 911	933,603	702,914
PEG	77,500	87,432
Drainage	4,276,819	3,025,739
Richardson Improvement Corp.	12,500	704,656
Economic Development	484,543	815,419
Golf	2,831,365	2,753,205
Ann & Charles Eisemann Edge Permanent Fund	-	5,000

(A) Budgetary Information

Excess of Expenditures over Appropriations

For the year ended September 30, 2023 expenditures (including transfers) exceeded appropriations in the General Fund and the Hotel/Motel Fund totaling $2,663,781 and $19,360. The General Fund experienced greater than anticipated sales tax revenue which allowed for a larger year end transfer to the Capital Fund than originally contemplated. The Hotel/Motel Fund experienced greater than expected programmatic expenses at the performing arts center, allowing for additional show performances at the venue. Expenditures also exceeded appropriations in the Municipal Court Security Fund by $4,538, the State Grant Fund by $64,101 and the Special Police Fund by $38,996 for various reasons. These expenditures were covered by greater than expected revnues, other financing sources or available fund balances.

(B) Adjustment to Revenues, Expenditures and Other Financing Sources and Uses from GAAP Basis to Basis of Budgeting

Excess of revenues and other sources over expenditures and other uses-GAAP basis	$	3,012,041
End of year adjustment for encumbrances not recognized as expenditures		(996,875)
Non-cash mark to market investment revenue recognized for GAAP basis		(468,774)
Increase in fines and forfeitures recognized for GAAP basis		(189,991)
Excess of revenues and other sources over expenditures and other uses-budget basis	$	1,356,401

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INDIVIDUAL AND COMBINING FUND FINANCIAL STATEMENTS AND SCHEDULES

Budgetary Comparison Schedule - Debt Service Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Property taxes	$ 44,291,935	$ 44,291,935	$ 44,418,778	$ 126,843
Interest revenue (temporary loss)	144,405	147,222	144,856	(2,366)
Total revenues	44,436,340	44,439,157	44,563,634	124,477
Expenditures:				
Debt service:				
Interest and fiscal charges	9,358,791	9,358,791	9,364,075	(5,284)
Principal retirement	35,118,227	35,118,227	34,830,000	288,227
Issuance costs	10,250	10,250	-	10,250
Payments for other obligations	-	-	288,227	(288,227)
Total expenditures	44,487,268	44,487,268	44,482,302	4,966
Excess (deficiency) of revenues over (under) expenditures	(50,928)	(48,111)	81,332	129,443
Other financing sources (uses):				
Transfers in	-	2,919	2,919	-
Total other financing sources (uses)	-	2,919	2,919	-
Net change in fund balance	(50,928)	(45,192)	84,251	129,443
Fund balances, October 1	3,726,149	3,814,678	3,814,676	(2)
Fund balances, September 30	$ 3,675,221	$ 3,769,486	$ 3,898,927	$ 129,445

COMBINING FINANCIAL STATEMENTS

Special Revenue Funds

Special Revenue Funds are used by the City to account for revenues derived from specific intergovernmental grants, taxes, and proceeds that are designated to finance particular functions or activities of the City. The City has the following Special Revenue Funds:

Municipal Court Funds consist of the following funds. The allowable purposes for each fund are specified by state law:

Municipal Court Building Security Fund - This fund is used to account for restricted proceeds received from Municipal Court fines for security expenditures.

Technology Fund - This fund is used to account for the Municipal Court technology fee charged to defendants convicted of misdemeanor offenses.

Judicial Efficiency Fund - This fund is used to account for special revenue to be used to improve the efficiency of the administration of justice in the City.

Jury Fund - This fund is used by the City to fund juror reimbursements and otherwise finance jury services.

Juvenile Case Manager Fund - This fund is used to finance the salary, benefits, training, travel, office supplies, and other necessary expenses relating to the position of Juvenile Case Manager.

Tax Increment Financing Funds consist of the following:

Tax Increment Financing Fund #1 - In 2006, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #1, to record these financial transactions.

Tax Increment Financing Fund #2 - In 2012, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #2, to record these financial transactions.

Tax Increment Financing Fund #3 - In 2012, the City Council adopted a Tax Increment Financing Zone. Ad valorem taxes on incremental growth in real property values in the Zone are used to contribute to development in the Zone. The City established a special revenue fund, Tax Increment Financing #3, to record these financial transactions.

Federal Grant Funds - This fund is used to account for restricted proceeds received from federal agencies for various purposes. Funds are to be utilized in accordance with the respective requirements of each program.

State Grant Funds - This fund is used to account for restricted proceeds received from the state for various purposes. Funds are to be utilized in accordance with the respective requirements of each program.

Special Police Funds - These funds are used to account for restricted proceeds received from seizures and confiscations awarded to the City by the judicial system. Funds are to be utilized by the Chief of Police in accordance with state law.

Wireless 911 Fund - This fund is used to account for the wireless 911 revenue that is received from the state. Funds are to be spent in accordance with state law.

PEG Fund - This fund is used to account for restricted revenues received from state-issued cable/video franchises under the Texas Utilities Code. Revenues may be spent on capital cost items for PEG facilities that have a useful life or more than one year and are used in the production of programming for the PEG access channels.

Drainage Fund - This fund was established by the City Council's adoption of an ordinance in November 2011. It is used to account for drainage fee revenues collected. The committed funds are used to provide storm drainage services to all real property.

Richardson Improvement Corporation - The Richardson Improvement Corporation is a legally separate entity that acts, in essence, as a department of the City. The Corporation is a nonprofit entity that serves the citizens of the City by improving municipal parks and recreational functions, facilitating real estate transactions and serving as an independent foundation for acceptance of corporate donations.

Economic Development Fund - This fund was established by the City Council's adoption of an ordinance in September 2014 dedicating resources for economic development.

Golf Fund - This fund was established to account for the revenues and expenditures of the City's golf course.

Permanent Fund

Ann & Charles Eisemann Edge Permanent Fund - A fund used to account for principal trust amounts received and related interest income to be used for the Eisemann Center Edge arts program.

CITY OF RICHARDSON, TEXAS
Nonmajor Governmental Funds
September 30, 2023

	Municipal Court Funds(1)	Tax Increment Financing Funds(1)	Federal Grants	State Grants	Special Police Funds	Wireless 911 Fund
Assets:						
Current assets:						
Cash, cash equivalents, and investments	$ 528,009	$ 20,672,698	$ 6,742,825	$ 113,413	$ 751,258	$ 518,719
Receivables (net of allowances)	-	-	72,480	-	22,940	50,341
Prepaid items	-	-	-	-	-	-
Total assets	528,009	20,672,698	6,815,305	113,413	774,198	569,060
Liabilities:						
Current liabilities:						
Accounts payable	-	8,721	2,838,369	-	324	-
Retainage payable	-	24,858	662,548	-	-	-
Accrued liabilities	3,446	1,331	8,828	-	237,243	-
Due to other funds	-	-	-	44,041	-	-
Unearned revenue	-	-	2,752,816	71,899	-	-
Total liabilities	3,446	34,910	6,262,561	115,940	237,567	-
Deferred inflows of resources						
Unavailable revenue	-	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-	-
Fund balances:						
Nonspendable:						
Prepaid items	-	-	-	-	-	-
Permanent fund principal	-	-	-	-	-	-
Restricted for:						
Capital projects	-	-	423,919	(2,527)	-	-
General government	524,563	20,637,788	-	-	-	-
Public safety	-	-	128,825	-	536,631	569,060
Committed for:						
General government	-	-	-	-	-	-
Public services	-	-	-	-	-	-
Parks and recreation	-	-	-	-	-	-
Assigned for:						
Parks and recreation	-	-	-	-	-	-
Total fund balances	524,563	20,637,788	552,744	(2,527)	536,631	569,060
Total liabilities, deferred inflows of resources, and fund balances	$ 528,009	$ 20,672,698	$ 6,815,305	$ 113,413	$ 774,198	$ 569,060

(1) Combined fund statements presented. Detailed fund statements are found immediately following the combining nonmajor governmental funds statements.

CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds
September 30, 2023

PEG Fund	Drainage Fund	Richardson Improvement Corporation Fund	Economic Development Fund	Golf Fund	Special Revenue Funds Subtotal	Permanent Fund Ann & Charles Eisemann Edge	Total Nonmajor Governmental Funds Total
$ 984,297	$ 3,333,266	$ 31,179	$ 5,495,646	$ 1,120,632	$ 40,291,942	$ 236,918	$ 40,528,860
-	300,974	-	-	91,009	537,744	-	537,744
-	-	-	1,095	8,010	9,105	-	9,105
984,297	3,634,240	31,179	5,496,741	1,219,651	40,838,791	236,918	41,075,709
27,877	83,506	-	-	27,427	2,986,224	-	2,986,224
-	9,427	-	-	-	696,833	-	696,833
-	-	-	-	80,462	331,310	-	331,310
-	-	-	-	-	44,041	-	44,041
-	-	-	-	-	2,824,715	-	2,824,715
27,877	92,933	-	-	107,889	6,883,123	-	6,883,123
-	300,973	-	-	-	300,973	-	300,973
-	300,973	-	-	-	300,973	-	300,973
-	-	-	1,095	8,010	9,105	-	9,105
-	-	-	-	-	-	236,918	236,918
-	-	-	-	-	421,392	-	421,392
956,420	-	-	-	-	22,118,771	-	22,118,771
-	-	-	-	-	1,234,516	-	1,234,516
-	-	-	5,495,646	-	5,495,646	-	5,495,646
-	3,240,334	-	-	-	3,240,334	-	3,240,334
-	-	-	-	1,103,752	1,103,752	-	1,103,752
-	-	31,179	-	-	31,179	-	31,179
956,420	3,240,334	31,179	5,496,741	1,111,762	33,654,695	236,918	33,891,613
$ 984,297	$ 3,634,240	$ 31,179	$ 5,496,741	$ 1,219,651	$ 40,838,791	$ 236,918	$ 41,075,709

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended September 30, 2023

	Municipal Court Funds(1)	Tax Increment Financing Funds(1)	Federal Grants	State Grants	Special Police Funds	Wireless 911 Fund
Revenues:						
Property taxes	$ -	$ 12,608,611	$ -	$ -	$ -	$ -
Franchise taxes	-	-	-	-	-	-
Drainage fees	-	-	-	-	-	-
911 revenue	-	-	-	-	-	671,766
Intergovernmental revenue	-	2,797,707	12,959,199	80,351	178,491	-
Fines and forfeitures	172,131	-	-	-	10,431	-
Interest revenue (temporary loss)	24,862	921,514	563,430	-	29,075	26,087
Golf course revenue	-	-	-	-	-	-
Golf course restaurant	-	-	-	-	-	-
Contributions	-	-	-	-	-	-
Other	-	-	-	-	46,007	-
Total revenues	196,993	16,327,832	13,522,629	80,351	264,004	697,853
Expenditures:						
General government	131,550	1,880,317	120,186	-	-	-
Public safety	83,204	-	115,512	-	120,866	3,848
Public services	-	-	-	-	-	-
Parks and recreation	-	192,361	-	2,250	-	-
General administration	-	145,830	-	-	-	-
Capital outlay	-	336,011	12,745,431	78,101	-	-
Debt service:						
Interest and fiscal charges	-	3,925,718	-	-	-	-
Payments for other obligations	-	3,850,278	-	-	-	-
Total expenditures	214,754	10,330,515	12,981,129	80,351	120,866	3,848
Excess (deficiency) of revenues over (under) expenditures	(17,761)	5,997,317	541,500	-	143,138	694,005
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	(50,000)	(650,000)
Proceeds from sale of capital assets	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	(50,000)	(650,000)
Net change in fund balances	(17,761)	5,997,317	541,500	-	93,138	44,005
Fund balances, October 1	542,324	14,640,471	11,244	(2,527)	443,493	525,055
Fund balances, September 30	$ 524,563	$ 20,637,788	$ 552,744	$ (2,527)	$ 536,631	$ 569,060

(1) Combined fund statements presented. Detailed fund statements are found immediately following the combining nonmajor governmental funds statements.

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds

Year ended September 30, 2023

PEG Fund	Drainage Fund	Richardson Improvement Corporation Fund	Economic Development Fund	Golf Fund	Special Revenue Funds Subtotal	Permanent Fund: Ann & Charles Eisemann Edge	Total Nonmajor Governmental Funds: Total
$ -	$ -	$ -	$ -	$ -	$ 12,608,611	$ -	$ 12,608,611
164,527	-	-	-	-	164,527	-	164,527
-	3,228,002	-	-	-	3,228,002	-	3,228,002
-	-	-	-	-	671,766	-	671,766
-	-	-	-	-	16,015,748	-	16,015,748
-	-	-	-	-	182,562	-	182,562
40,649	128,214	-	245,511	36,557	2,015,899	10,702	2,026,601
-	-	-	-	3,040,149	3,040,149	-	3,040,149
-	-	-	-	55,142	55,142	-	55,142
-	-	-	-	-	-	1,763	1,763
-	-	-	-	44,321	90,328	-	90,328
205,176	3,356,216	-	245,511	3,176,169	38,072,734	12,465	38,085,199
21,938	-	-	753,283	-	2,907,274	5,000	2,912,274
-	-	-	-	-	323,430	-	323,430
-	110,412	-	-	-	110,412	-	110,412
-	-	4,535	-	2,283,235	2,482,381	-	2,482,381
-	910,119	46,064	-	215,572	1,317,585	-	1,317,585
37,809	1,153,424	-	-	-	14,350,776	-	14,350,776
-	-	-	-	8,433	3,934,151	-	3,934,151
-	-	-	-	116,007	3,966,285	-	3,966,285
59,747	2,173,955	50,599	753,283	2,623,247	29,392,294	5,000	29,397,294
145,429	1,182,261	(50,599)	(507,772)	552,922	8,680,440	7,465	8,687,905
-	30,000	-	1,395,998	-	1,425,998	-	1,425,998
-	-	(647,541)	-	-	(1,347,541)	-	(1,347,541)
-	-	693,605	-	-	693,605	-	693,605
-	30,000	46,064	1,395,998	-	772,062	-	772,062
145,429	1,212,261	(4,535)	888,226	552,922	9,452,502	7,465	9,459,967
810,991	2,028,073	35,714	4,608,515	558,840	24,202,193	229,453	24,431,646
$ 956,420	$ 3,240,334	$ 31,179	$ 5,496,741	$ 1,111,762	$ 33,654,695	$ 236,918	$ 33,891,613

CITY OF RICHARDSON, TEXAS

Combining Balance Sheet - Nonmajor Governmental Funds - Municipal Court Funds

September 30, 2023

	Building Security	Technology	Judicial Efficiency	Municipal Jury Fund	Juvenile Case Manager	Total
Assets:						
Cash, cash equivalents, and investments	$ 52,523	$ 244,630	$ 116,504	$ 1,758	$ 112,594	$ 528,009
Total	52,523	244,630	116,504	1,758	112,594	528,009
Liabilities:						
Accrued liabilities	2,215	-	-	-	1,231	3,446
Total liabilities	2,215	-	-	-	1,231	3,446
Fund balances:						
Restricted for:						
General government	50,308	244,630	116,504	1,758	111,363	524,563
Total fund balances	50,308	244,630	116,504	1,758	111,363	524,563
Total liabilities and fund balances	$ 52,523	$ 244,630	$ 116,504	$ 1,758	$ 112,594	$ 528,009

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds - Municipal Court Funds
Year ended September 30, 2023

	Building Security	Technology	Judicial Efficiency	Municipal Jury Fund	Juvenile Case Manager	Total
Revenues:						
Fines and forfeitures	$ 50,670	$ 41,875	$ 27,875	$ 1,013	$ 50,698	$ 172,131
Interest revenue (temporary loss)	3,378	11,304	4,678	82	5,420	24,862
Total revenues	54,048	53,179	32,553	1,095	56,118	196,993
Expenditures:						
General government	-	61,047	7,503	1,129	61,871	131,550
Public safety	83,204	-	-	-	-	83,204
Total expenditures	83,204	61,047	7,503	1,129	61,871	214,754
Excess (deficiency) of revenues over (under) expenditures	(29,156)	(7,868)	25,050	(34)	(5,753)	(17,761)
Net change in fund balances	(29,156)	(7,868)	25,050	(34)	(5,753)	(17,761)
Fund balances, October 1	79,464	252,498	91,454	1,792	117,116	542,324
Fund balances, September 30	$ 50,308	$ 244,630	$ 116,504	$ 1,758	$ 111,363	$ 524,563

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Municipal Court Building Security Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines and forfeitures	$ 55,000	$ 51,698	$ 50,670	$ (1,028)
Interest revenue (temporary loss)	1,586	3,323	3,378	55
Total revenues	56,586	55,021	54,048	(973)
Expenditures:				
Public safety	73,605	78,666	83,204	(4,538)
Total expenditures	73,605	78,666	83,204	(4,538)
Excess (deficiency) of revenues over (under) expenditures	(17,019)	(23,645)	(29,156)	(5,511)
Net change in fund balance	(17,019)	(23,645)	(29,156)	(5,511)
Fund balances, October 1	79,464	79,464	79,464	-
Fund balances, September 30	$ 62,445	$ 55,819	$ 50,308	$ (5,511)

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Technology Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Fines and forfeitures	$ 47,500	$ 42,784	$ 41,875	$ (909)
Interest revenue (temporary loss)	4,417	9,899	11,304	1,405
Total revenues	51,917	52,683	53,179	496
Expenditures:				
General government	60,990	64,008	61,047	2,961
Total expenditures	60,990	64,008	61,047	2,961
Excess (deficiency) of revenues over (under) expenditures	(9,073)	(11,325)	(7,868)	3,457
Net change in fund balance	(9,073)	(11,325)	(7,868)	3,457
Fund balances, October 1	252,498	252,498	252,498	-
Fund balances, September 30	$ 243,425	$ 241,173	$ 244,630	$ 3,457

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Judicial Efficiency Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Fines and forfeitures	$ 30,000	$ 29,770	$ 27,875	$ (1,895)
Interest revenue (temporary loss)	2,176	3,759	4,678	919
Total revenues	32,176	33,529	32,553	(976)
Expenditures:				
General government	26,045	21,380	7,503	13,877
Total expenditures	26,045	21,380	7,503	13,877
Excess (deficiency) of revenues over (under) expenditures	6,131	12,149	25,050	12,901
Net change in fund balance	6,131	12,149	25,050	12,901
Fund balances, October 1	91,454	91,454	91,454	-
Fund balances, September 30	$ 97,585	$ 103,603	$ 116,504	$ 12,901

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Municipal Jury Fund
Year ended September 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	$ 1,000	$ 1,032	$ 1,013	$ (19)
Interest revenue (temporary loss)	24	72	82	10
Total revenues	1,024	1,104	1,095	(9)
Expenditures:				
General government	1,500	1,500	1,129	371
Total expenditures	1,500	1,500	1,129	371
Excess (deficiency) of revenues over (under) expenditures	(476)	(396)	(34)	362
Net change in fund balance	(476)	(396)	(34)	362
Fund balances, October 1	1,792	1,792	1,792	-
Fund balances, September 30	$ 1,316	$ 1,396	$ 1,758	$ 362

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Juvenile Case Manager
Year ended September 30, 2023

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amount	Variance with Final Budget - Positive (Negative)
Revenues:				
Fines and forfeitures	$ 50,000	$ 51,626	$ 50,698	$ (928)
Interest revenue (temporary loss)	2,351	4,798	5,420	622
Total revenues	52,351	56,424	56,118	(306)
Expenditures:				
General government	62,636	64,380	61,871	2,509
Total expenditures	62,636	64,380	61,871	2,509
Excess (deficiency) of revenues over (under) expenditures	(10,285)	(7,956)	(5,753)	2,203
Net change in fund balance	(10,285)	(7,956)	(5,753)	2,203
Fund balances, October 1	117,116	117,116	117,116	-
Fund balances, September 30	$ 106,831	$ 109,160	$ 111,363	$ 2,203

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CITY OF RICHARDSON, TEXAS
Combining Balance Sheet - Nonmajor Governmental Funds - Tax Increment Financing Funds
September 30, 2023

	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	Total
Assets:				
Cash, cash equivalents, and investments	$ 16,192,617	$ 3,752,304	$ 727,777	$ 20,672,698
Total	16,192,617	3,752,304	727,777	20,672,698
Liabilities:				
Accounts payable	8,721	-	-	8,721
Retainage payable	24,858	-	-	24,858
Accrued liabilities	1,331	-	-	1,331
Total liabilities	34,910	-	-	34,910
Fund balances:				
Restricted for:				
General government	16,157,707	3,752,304	727,777	20,637,788
Total fund balances	16,157,707	3,752,304	727,777	20,637,788
Total liabilities and fund balances	$ 16,192,617	$ 3,752,304	$ 727,777	$ 20,672,698

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance -
Nonmajor Governmental Funds - Tax Increment Financing Funds
Year ended September 30, 2023

	Tax Increment Financing #1	Tax Increment Financing #2	Tax Increment Financing #3	Total
Revenues:				
General property taxes	$ 6,652,159	$ 5,091,415	$ 865,037	$ 12,608,611
Intergovernmental revenue	1,569,427	1,045,675	182,605	2,797,707
Interest revenue (temporary loss)	653,901	224,663	42,950	921,514
Total revenues	8,875,487	6,361,753	1,090,592	16,327,832
Expenditures:				
General government	1,880,317	-	-	1,880,317
Parks and recreation	192,361	-	-	192,361
General administration	124,997	20,833	-	145,830
Capital outlay	336,011	-	-	336,011
Debt service:				
Payments for other obligations	550,163	3,300,115	-	3,850,278
Interest and fiscal charges	933,628	2,097,330	894,760	3,925,718
Total expenditures	4,017,477	5,418,278	894,760	10,330,515
Excess (deficiency) of revenues over (under) expenditures	4,858,010	943,475	195,832	5,997,317
Net change in fund balances	4,858,010	943,475	195,832	5,997,317
Fund balances, October 1	11,299,697	2,808,829	531,945	14,640,471
Fund balances, September 30	$ 16,157,707	$ 3,752,304	$ 727,777	$ 20,637,788

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Tax Increment Financing #1

Year ended September 30, 2023

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with Final Budget-Positive
	Original	Final	Basis	Budget Basis	Basis	(Negative)
Revenues:						
Property taxes	$ 6,764,853	$ 6,646,351	$ 6,652,159	$ -	$ 6,652,159	$ 5,808
Intergovernmental revenue	1,774,914	1,569,427	1,569,427	-	1,569,427	-
Interest revenue (temporary loss)	165,075	509,791	653,901	-	653,901	144,110
Total revenues	8,704,842	8,725,569	8,875,487	-	8,875,487	149,918
Expenditures:						
General government	4,565,845	4,489,832	1,880,317	1,483,791	3,364,108	1,125,724
General administration	124,997	124,997	124,997	-	124,997	-
Parks and recreation	373,728	373,728	192,361	-	192,361	181,367
Capital outlay	9,230,000	1,434,354	336,011	-	336,011	1,098,343
Debt service:						
Payments for other obligations	-	-	550,163	(550,163)	-	-
Interest and fiscal charges	-	-	933,628	(933,628)	-	-
Total expenditures	14,294,570	6,422,911	4,017,477	-	4,017,477	2,042,700
Excess of revenues over (under) expenditures	(5,589,728)	2,302,658	4,858,010	-	4,858,010	2,192,618
Net change in fund balance	(5,589,728)	2,302,658	4,858,010	-	4,858,010	2,192,618
Fund balances, October 1	11,299,697	11,299,697	11,299,697	-	11,299,697	-
Fund balances, beginning of year	11,299,697	11,299,697	11,299,697	-	11,299,697	-
Fund balances, September 30	$ 5,709,969	$ 13,602,355	$ 16,157,707	$ -	$ 16,157,707	$ 2,192,618

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Tax Increment Financing #2

Year ended September 30, 2023

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with Final Budget-Positive
	Original	Final	Basis	Budget Basis	Basis	(Negative)
Revenues:						
Property taxes	$ 5,132,296	$ 5,129,492	$ 5,091,415	$ -	$ 5,091,415	$ (38,077)
Intergovernmental revenue	-	-	1,045,675	-	1,045,675	1,045,675
Interest revenue (temporary loss)	82,205	174,330	224,663	-	224,663	50,333
Other	1,152,559	1,045,696	-	-	-	(1,045,696)
Total revenues	6,367,060	6,349,518	6,361,753	-	6,361,753	12,235
Expenditures:						
General government	6,354,766	5,397,445	-	5,397,445	5,397,445	-
General administration	20,833	20,833	20,833	-	20,833	-
Debt service:						
Payments for other obligations	-	-	3,300,115	(3,300,115)	-	-
Interest and fiscal charges	-	-	2,097,330	(2,097,330)	-	-
Total expenditures	6,375,599	5,418,278	5,418,278	-	5,418,278	-
Excess of revenues over (under) expenditures	(8,539)	931,240	943,475	-	943,475	12,235
Net change in fund balance	(8,539)	931,240	943,475	-	943,475	12,235
Fund balances, October 1	2,808,829	2,808,829	2,808,829	-	2,808,829	-
Fund balances, September 30	$ 2,800,290	$ 3,740,069	$ 3,752,304	$ -	$ 3,752,304	$ -

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Tax Increment Financing #3

Year ended September 30, 2023

	Budgeted Amounts		Actual GAAP	Adjustments	Actual Budget	Variance with Final Budget-Positive
	Original	Final	Basis	Budget Basis	Basis	(Negative)
Revenues:						
Property taxes	$ 881,936	$ 869,552	$ 865,037	$ -	$ 865,037	$ (4,515)
Intergovernmental revenue	198,192	182,605	182,605	-	182,605	-
Interest revenue (temporary loss)	12,399	32,840	42,950	-	42,950	10,110
Total revenues	1,092,527	1,084,997	1,090,592	-	1,090,592	5,595
Expenditures:						
General government	1,081,235	894,760	-	894,760	894,760	-
Debt service:						
Interest and fiscal charges	-	-	894,760	(894,760)	-	-
Total expenditures	1,081,235	894,760	894,760	-	894,760	-
Excess of revenues over (under) expenditures	11,292	190,237	195,832	-	195,832	(5,595)
Net change in fund balance	11,292	190,237	195,832	-	195,832	5,595
Fund balances, October 1	94,664	191,105	531,945	-	531,945	340,840
Fund balances, September 30	$ 105,956	$ 381,342	$ 727,777	$ -	$ 727,777	$ (346,435)

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Federal Grants Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental revenue	$ 60,714	$ 20,192,022	$ 12,959,199	$ (7,232,823)
Interest revenue (temporary loss)	52,757	536,018	563,430	27,412
Total revenues	113,471	20,728,040	13,522,629	(7,205,411)
Expenditures:				
General government	4,000	70,589	120,186	(49,597)
Public safety	98,490	186,212	115,512	70,700
Capital outlay	11,380,515	15,650,319	12,745,431	2,904,888
Total expenditures	11,483,005	15,907,120	12,981,129	2,925,991
Excess (deficiency) of revenues over (under) expenditures	(11,369,534)	4,820,920	541,500	(4,279,420)
Net change in fund balance	(11,369,534)	4,820,920	541,500	(4,279,420)
Fund balances, October 1	11,244	11,244	11,244	-
Fund balances, September 30	$(11,358,290)	$ 4,832,164	$ 552,744	$ (4,279,420)

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - State Grants Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental revenue	$ -	$ 18,777	$ 80,351	$ 61,574
Total revenues	-	18,777	80,351	61,574
Expenditures:				
General government	-	14,000	-	14,000
Parks and recreation	-	2,250	2,250	-
Capital outlay	-	-	78,101	(78,101)
Total expenditures	-	16,250	80,351	(64,101)
Excess (deficiency) of revenues over (under) expenditures	-	2,527	-	(2,527)
Net change in fund balance	-	2,527	-	(2,527)
Fund balances, October 1	(2,527)	(2,527)	(2,527)	-
Fund balances, September 30	$ (2,527)	$ -	$ (2,527)	$ (2,527)

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Special Police Funds
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Intergovernmental revenue	$ 120,000	$ 144,989	$ 178,491	$ 33,502
Fines and forfeitures	10,000	13,170	10,431	(2,739)
Interest revenue (temporary loss)	12,928	23,333	29,075	5,742
Other	-	-	46,007	46,007
Total revenues	142,928	181,492	264,004	82,512
Expenditures:				
Public safety	122,870	81,870	120,866	(38,996)
Total expenditures	122,870	81,870	120,866	(38,996)
Excess (deficiency) of revenues over (under) expenditures	20,058	99,622	143,138	43,516
Other financing sources (uses):				
Transfers out	(50,000)	(50,000)	(50,000)	-
Total other financing sources (uses)	(50,000)	(50,000)	(50,000)	-
Net change in fund balance	70,058	149,622	93,138	(56,484)
Fund balances, October 1	375,391	443,493	443,493	-
Fund balances, September 30	$ 445,449	$ 593,115	$ 536,631	$ (56,484)

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Wireless 911 Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
911 revenue	$ 640,000	$ 659,932	$ 671,766	$ 11,834
Interest revenue (temporary loss)	9,130	21,780	26,087	4,307
Other revenues	230,689	-	-	-
Total revenues	879,819	681,712	697,853	16,141
Expenditures:				
Public safety	244,089	13,400	3,848	9,552
Capital outlay	39,514	39,514	-	39,514
Total expenditures	283,603	52,914	3,848	49,066
Excess (deficiency) of revenues over (under) expenditures	596,216	628,798	694,005	65,207
Other financing sources (uses):				
Transfers out	(650,000)	(650,000)	(650,000)	-
Total other financing sources (uses)	(650,000)	(650,000)	(650,000)	-
Net change in fund balance	(53,784)	(21,202)	44,005	65,207
Fund balances, October 1	525,055	525,055	525,055	-
Fund balances, September 30	$ 471,271	$ 503,853	$ 569,060	$ 65,207

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - PEG Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Franchise taxes	$ 187,500	$ 165,879	$ 164,527	$ (1,352)
Interest revenue (temporary loss)	15,791	32,966	40,649	7,683
Total revenues	203,291	198,845	205,176	6,331
Expenditures:				
General government	-	-	21,938	(21,938)
Capital outlay	77,500	87,432	37,809	49,623
Total expenditures	77,500	87,432	59,747	27,685
Excess (deficiency) of revenues over (under) expenditures	125,791	111,413	145,429	34,016
Net change in fund balance	125,791	111,413	145,429	34,016
Fund balances, October 1	810,991	810,991	810,991	-
Fund balances, September 30	$ 936,782	$ 922,404	$ 956,420	$ 34,016

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Drainage Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Interest revenue (temporary loss)	$ 76,633	$ 126,046	$ 128,214	$ 2,168
Drainage fees	3,280,000	3,241,809	3,228,002	(13,807)
Total revenues	3,356,633	3,367,855	3,356,216	(11,639)
Expenditures:				
Public services	1,145,000	1,055,908	110,412	945,496
General administration	910,119	910,119	910,119	-
Capital outlay	2,221,700	1,059,712	1,153,424	(93,712)
Total expenditures	4,276,819	3,025,739	2,173,955	851,784
Excess (deficiency) of revenues over (under) expenditures	(920,186)	342,116	1,182,261	840,145
Other financing sources (uses):				
Transfers in	-	-	30,000	30,000
Total other financing sources (uses)	-	-	30,000	30,000
Net change in fund balance	(920,186)	342,116	1,212,261	870,145
Fund balances, October 1	1,849,587	2,061,825	2,028,073	(33,752)
Fund balances, September 30	$ 929,401	$ 2,403,941	$ 3,240,334	$ 836,393

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Richardson Improvement Corporation Fund

Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue (temporary loss)	$ 2	$ 10	$ -	$ (10)
Other	-	702,105	-	(702,105)
Total revenues	2	702,115	-	(702,115)
Expenditures:				
Parks and recreation	12,500	11,051	4,535	6,516
General administration	-	-	46,064	(46,064)
Total expenditures	12,500	11,051	50,599	(39,548)
Excess (deficiency) of revenues over (under) expenditures	(12,498)	691,064	(50,599)	(741,663)
Other financing sources (uses):				
Transfers out	-	(693,605)	(647,541)	46,064
Proceeds from sale of capital assets	-	-	693,605	693,605
Total other financing sources (uses)	-	(693,605)	46,064	739,669
Net change in fund balance	(12,498)	(2,541)	(4,535)	(1,994)
Fund balances, October 1	33,453	35,714	35,714	-
Fund balances, September 30	$ 20,955	$ 33,173	$ 31,179	$ (1,994)

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Economic Development
Year ended September 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue (temporary loss)	$ 84,724	$ 205,500	$ 245,511	$ 40,011
Total revenues	84,724	205,500	245,511	40,011
Expenditures:				
General government	484,543	815,419	753,283	62,136
Total expenditures	484,543	815,419	753,283	62,136
Excess (deficiency) of revenues over (under) expenditures	(399,819)	(609,919)	(507,772)	102,147
Transfers in	1,395,998	1,395,998	1,395,998	-
Total other financing sources (uses)	1,395,998	1,395,998	1,395,998	-
Net change in fund balance	996,179	786,079	888,226	102,147
Fund balances, October 1	4,313,359	4,659,372	4,608,515	46,080,515
Fund balances, September 30	$ 5,309,538	$ 5,445,451	$ 5,496,741	$ 51,290

CITY OF RICHARDSON, TEXAS
Budgetary Comparison Schedule - Golf Fund
Year ended September 30, 2023

	Budgeted Amounts		Actual	Variance with Final Budget- Positive
	Original	Final	Amounts	(Negative)
Revenues:				
Golf course revenue	$ 2,771,020	$ 2,784,750	$ 3,040,149	$ 255,399
Golf course restaurant	40,320	48,320	55,142	6,822
Other				
Interest	9,930	31,641	36,557	4,916
Other Miscellaneous	4,325	8,200	44,321	36,121
Total revenues	2,825,595	2,872,911	3,176,169	303,258
Expenditures:				
General administration	215,251	215,251	215,572	(321)
Parks and recreation	2,321,114	2,537,954	2,283,235	254,719
Interest and fiscal charges	-	-	8,433	(8,433)
Payments for other obligations	-	-	116,007	(116,007)
Total expenditures	2,536,365	2,753,205	2,623,247	129,958
Excess (deficiency) of revenues over (under) expenditures	289,230	119,706	552,922	433,216
Other financing sources (uses):				
Transfers out	(295,000)	-	-	-
Total other financing sources (uses)	(295,000)	-	-	-
Net change in fund balance	(5,770)	119,706	552,922	433,216
Fund balances, October 1	558,840	558,840	558,840	-
Fund balances, September 30	$ 553,070	$ 678,546	$ 1,111,762	$ 433,216

CITY OF RICHARDSON, TEXAS

Budgetary Comparison Schedule - Ann & Charles Eisemann Edge Permanent Fund

Year ended September 30, 2023

	Budgeted Amounts		Actual Basis	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest revenue (temporary loss)	$ 4,203	$ 9,482	$ 10,702	$ 1,220
Contributions	-	1,763	1,763	-
Total revenues	4,203	11,245	12,465	1,220
Expenditures:				
General government	-	5,000	5,000	-
Total expenditures	-	5,000	5,000	-
Excess (deficiency) of revenues over (under) expenditures	4,203	6,245	7,465	1,220
Net change in fund balance	4,203	6,245	7,465	1,220
Fund balances, October 1	229,453	229,453	229,453	-
Fund balances, September 30	$ 233,656	$ 235,698	$ 236,918	$ 1,220

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CITY OF RICHARDSON, TEXAS
Nonmajor Governmental Funds - Internal Service Funds
September 30, 2023

Internal Service Funds are used to account for the financing of goods or services provided by certain departments to other departments within the City. The City uses three internal service funds.

Central Services Fund - This fund is used to account for warehouse, mail, and records management operations of the City on a cost-reimbursement basis.

Insurance Fund - This fund is used to account for the health insurance program provided by the City to its employees and to their dependents, as well as retirees, on a subsidized cost basis.

Technology Replacement Fund - This fund is used to account for costs of replacing information technology hardware and software related to legacy ERP and Traffic systems.

CITY OF RICHARDSON, TEXAS
Combining Statement of Net Position - All Internal Service Funds
September 30, 2023

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Assets:				
Current assets:				
Cash, cash equivalents, and investments	$ 405,102	$ 1,141,502	$ 3,887,946	$ 5,434,550
Investments	-	15,000,000	-	15,000,000
Inventories	331,821	-	-	331,821
Prepaid items	-	46,258	-	46,258
Total current assets	736,923	16,187,760	3,887,946	20,812,629
Capital and intangible right-to-use assets:				
Land	56,011	-	-	56,011
Buildings	259,990	-	-	259,990
Improvements	23,023	-	-	23,023
Vehicles, machinery and equipment	372,762	-	34,225	406,987
Intangible right-to-use assets	227,136	-	-	227,136
SBITA Assets	-	-	5,785,560	5,785,560
Total capital and intangible right-to-use assets	938,922	-	5,819,785	6,758,707
Less: accumulated depreciation	(594,430)	-	(4,635)	(599,065)
Less: Leases accumulated amortization	(8,421)	-	-	(8,421)
Less: SBITA accum amort	-	-	(764,892)	(764,892)
Total capital and intangible right-to-use assets, net of accumulated depreciation and amortization	336,071	-	5,050,258	5,386,329
Total assets	1,072,994	16,187,760	8,938,204	26,198,958
Deferred outflows of resources:				
Pension contributions investment experience and assumptions	353,177	190,186	-	543,363
OPEB contributions, investment experience and assumptions	22,125	15,533	-	37,658
Total deferred outflows of resources	375,302	205,719	-	581,021
Liabilities:				
Current liabilities:				
Accounts payable	14,205	495,839	98,026	608,070
Accrued liabilities	7,014	6,427	-	13,441
Accrued interest	99	-	-	99
Unpaid claims liabilities	-	977,591	-	977,591
Current maturities of bonds, leases and contractual obligations	45,263	-	732,304	777,567
OPEB liability	5,299	5,440	-	10,739
Compensated absences	7,702	2,158	-	9,860
Total current liabilities	79,582	1,487,455	830,330	2,397,367
Noncurrent liabilities:				
Bonds, leases and contractual obligations	172,672	-	4,599,502	4,772,174
Total OPEB liability	129,863	133,317	-	263,180
Net pension liability (asset)	514,366	263,696	-	778,062
Compensated absences	62,317	17,456	-	79,773
Total noncurrent liabilities	879,218	414,469	4,599,502	5,893,189
Total liabilities	958,800	1,901,924	5,429,832	8,290,556
Deferred inflows of resources:				
Pension actuarial experience	43,148	5,616	-	48,764
OPEB assumptions	61,253	36,355	-	97,608
Total deferred inflows of resources	104,401	41,971	-	146,372
Net position:				
Net investment in capital assets	124,446	-	33,868	158,314
Unrestricted	260,649	14,449,584	3,474,504	18,184,737
Total net position	$ 385,095	$ 14,449,584	$ 3,508,372	$ 18,343,051

CITY OF RICHARDSON, TEXAS

Combining Statement of Revenues, Expenses, and Changes in Fund Net Position - All Internal Service Funds

Year ended September 30, 2023

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Operating revenues:				
Charges for services	$ 583,764	$ -	$ 2,050,000	$ 2,633,764
City and employee contributions	-	16,636,373	-	16,636,373
Miscellaneous	-	711,153	-	711,153
Total operating revenues	583,764	17,347,526	2,050,000	19,981,290
Operating expenses:				
Personal services	491,755	2,208,826	-	2,700,581
Professional and technical services	2,128	917,844	7,284	927,256
Property services	48,898	-	112,793	161,691
Other purchased services	-	32,420	54,971	87,391
Insurance claims	-	13,875,861	-	13,875,861
Supplies	5,861	24	265,016	270,901
Depreciation	5,650	-	4,278	9,928
Amortization	26,122	-	764,892	791,014
Total operating expenses	580,414	17,034,975	1,209,234	18,824,623
Operating income (loss)	3,350	312,551	840,766	1,156,667
Nonoperating revenues:				
Interest revenue	39,692	658,823	191,571	890,086
Interest expense and fiscal charges	(810)	-	(99,360)	(100,170)
Total nonoperating revenues	38,882	658,823	92,211	789,916
Change in net position	42,232	971,374	932,977	1,946,583
Net position, October 1	342,863	13,478,210	2,575,395	16,396,468
Net position, September 30	$ 385,095	$ 14,449,584	$ 3,508,372	$ 18,343,051

CITY OF RICHARDSON, TEXAS
Combining Statement of Cash Flows
Internal Service Funds
Year ended September 30, 2023

	Central Services Fund	Insurance Fund	Technology Replacement Fund	Total
Cash flows from operating activities:				
Cash received from service users	$ 583,764	$ -	$ 2,050,000	$ 2,633,764
Cash received from City, employee, and other contributions	-	17,755,725	-	17,755,725
Cash payments to employees	(446,752)	(2,183,436)	-	(2,630,188)
Cash payments for claims	-	(13,728,598)	-	(13,728,598)
Cash payments for goods and services	(66,463)	(1,032,804)	(1,040,844)	(2,140,111)
Net cash provided by (used in) operating activities	70,549	810,887	1,009,156	1,890,592
Cash from capital and related financing activities:				
Acquisition and construction of capital and intangible right-to-use assets	(174,926)	-	(5,785,560)	(5,960,486)
Bond proceeds and accrued interest	189,435	-	5,645,203	5,834,638
Principal paid on debt	(39,971)	-	(313,397)	(353,368)
Interest paid on debt	(780)	-	(99,360)	(100,140)
Net cash provided by (used in) capital and related financing activities	(26,242)	-	(553,114)	(579,356)
Cash flows from investing activity:				
Purchase of investment securities	-	(15,000,000)	-	(15,000,000)
Interest received on investments	39,692	658,823	191,571	890,086
Net cash provided by (used in) investing activities	39,692	(14,341,177)	191,571	(14,109,914)
Net increase (decrease) in cash and cash equivalents	83,999	(13,530,290)	647,613	(12,798,678)
Cash and cash equivalents, October 1	321,103	14,671,792	3,240,333	18,233,228
Cash and cash equivalents, September 30	$ 405,102	$ 1,141,502	$ 3,887,946	$ 5,434,550
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:				
Operating income (loss)	$ 3,350	$ 312,551	$ 840,766	$ 1,156,667
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	31,772	-	769,170	800,942
Changes in assets and liabilities:				
(Increase)Decrease in accounts receivable	-	408,199	-	408,199
(Increase)Decrease in inventory of supplies	(15,813)	-	-	(15,813)
(Increase)Decrease in prepaid items	-	39,800	-	39,800
Increase(Decrease) in accounts payable	7,127	8,330	29,620	45,077
Increase(Decrease) in unpaid claims liabilities	-	47,405	-	47,405
Increase(Decrease) in compensated absences	10,725	(609)	-	10,116
Increase(Decrease) in workers compensation	(9,053)	-	-	(9,053)
Increase(Decrease) in post-employment benefits	(57,058)	(34,235)	-	(91,293)
Increase(Decrease) in pension liabilities	413,839	248,304	-	662,143
Increase(Decrease) in accrued liabilities	(890)	(30,788)	(630,400)	(662,078)
Increase(Decrease) in deferred inflows/outlows	(313,450)	(188,070)	-	(501,520)
Total adjustments	67,199	498,336	168,390	733,925
Net cash provided by (used in) operating activities:	$ 70,549	$ 810,887	$ 1,009,156	$ 1,890,592
Reconciliation of cash and cash equivalents to the statement of net position:				
Total cash and investments per the statement of net position	$ 405,102	$ 16,141,502	$ 3,887,946	$ 20,434,550
Less investments not meeting the definition of cash equivalents	-	(15,000,000)	-	(15,000,000)
Cash and cash equivalents at September 30, 2023	$ 405,102	$ 1,141,502	$ 3,887,946	$ 5,434,550

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STATISTICAL SECTION

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CITY OF RICHARDSON, TEXAS
Statistical Section
September 30, 2023

Tables in the statistical section present detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the overall financial health of the City.

	Pages
Financial Trends – These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.	139 - 145
Revenue Capacity - These schedules contain information to help the reader assess the City's most significant local revenue source, the property tax.	146 - 149
Debt Capacity - These schedules present information to help the reader assess the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.	150 - 154
Demographic and Economic Information - These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.	155 - 156
Operating Information - These schedules contain service and infrastrucutre data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.	157 - 159
Pension Information - This schedule contains information regarding pension benefits funding progress.	160

Sources: Unless otherwise noted, the information in these schedules is derived from the annual comprehensive financial reports for the relevant year.

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Table 1

CITY OF RICHARDSON, TEXAS

Statement of Net Position by Component*
Last ten fiscal years
(In thousands)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Governmental activities:										
Net investment in capital assets	$ 129,095	$ 134,199	$ 130,402	$ 110,728	$ 150,625	$ 156,267	$ 179,372	$ 215,347	$ 237,511	$ 258,618
Restricted	7,072	10,511	10,682	26,607	9,692	13,653	16,090	20,174	30,114	61,655
Unrestricted	(19,188)	(23,943)	(19,160)	(23,077)	(31,515)	(30,919)	(15,973)	(22,904)	(189)	9,711
Total governmental activities net position	$ 116,979	$ 120,767	$ 121,924	$ 114,258	$ 128,802	$ 139,001	$ 179,489	$ 212,617	$ 267,436	$ 329,984
Business-type activities:										
Net investment in capital assets	$ 50,634	$ 51,770	$ 55,464	$ 56,619	$ 57,169	$ 57,513	$ 57,032	$ 56,716	$ 54,163	$ 51,381
Restricted	4,069	5,464	3,262	3,016	3,071	5,172	17,005	24,197	36,178	27,726
Unrestricted	8,983	10,694	12,427	12,823	15,512	14,243	8,630	5,971	10,894	34,374
Total business-type activities net position	$ 63,686	$ 67,928	$ 71,153	$ 72,458	$ 75,752	$ 76,928	$ 82,667	$ 86,884	$ 101,235	$ 113,481
Primary government:										
Net investment in capital assets	$ 179,729	$ 185,969	$ 185,866	$ 167,347	$ 207,794	$ 213,780	$ 236,404	$ 272,063	$ 291,674	$ 309,999
Restricted	11,141	15,975	13,944	29,623	12,763	18,825	33,095	44,371	66,292	89,381
Unrestricted	(10,205)	(13,249)	(6,733)	(10,254)	(16,003)	(16,676)	(7,343)	(16,933)	10,705	44,085
Total primary government net position	$ 180,665	$ 188,695	$ 193,077	$ 186,716	$ 204,554	$ 215,929	$ 262,156	$ 299,501	$ 368,671	$ 443,465

* The City implemented GASB Statement 68 in FY 2015. The amounts for fiscal year 2014 were restated for the effects of these standards in FY 2015.
The City implemented GASB Statement 75 in FY 2018. The amounts for fiscal year 2017 were restated for the effects of these standards in FY 2018.

CITY OF RICHARDSON, TEXAS

Changes in Net Position*
Last ten fiscal years
(In thousands)
(Accrual basis of accounting)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Expenses:										
Governmental activities:										
General government	$ 36,311	$ 36,761	$ 45,754	$ 60,771	$ 36,545	$ 50,473	$ 36,981	$ 45,672	$ 40,753	$ 55,626
Public safety	47,533	48,745	54,796	56,883	56,951	61,285	61,902	62,940	58,295	73,276
Public services	28,931	30,588	34,955	32,108	30,921	37,633	33,526	36,151	38,960	38,986
Library	3,989	4,161	4,311	4,339	4,217	4,433	4,473	3,590	3,627	4,649
Parks and recreation	15,282	18,310	18,987	19,813	19,259	20,114	17,379	17,450	17,087	20,398
Public health	1,714	1,807	2,054	2,185	2,173	2,228	2,043	1,645	1,583	2,392
Interest and fiscal charges	10,757	9,884	9,524	11,136	12,984	14,417	12,386	12,319	12,399	11,405
Total governmental activities expenses	144,517	150,256	170,381	187,235	163,050	190,583	168,690	179,767	172,704	206,732
Business-type activities:										
Water and sewer	55,648	59,159	63,836	71,437	76,642	81,682	83,298	82,101	84,797	95,681
Solid waste	12,441	13,725	14,418	14,509	14,369	15,003	14,521	14,233	14,062	17,283
Golf	2,558	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	70,647	72,884	78,254	85,946	91,011	96,685	97,819	96,334	98,859	112,964
Total primary government expenses	$ 215,164	$ 223,140	$ 248,635	$ 273,181	$ 254,061	$ 287,268	$ 266,509	$ 276,101	$ 271,563	$ 319,696
Program revenues:										
Governmental activities:										
Charges for services:										
General government	$ 3,327	$ 3,398	$ 6,027	$ 6,025	$ 4,736	$ 6,266	$ 2,207	$ 1,911	$ 3,236	$ 3,058
Public safety	9,252	9,691	9,421	7,867	7,977	8,872	8,154	9,438	6,967	7,327
Public services	6,163	6,152	10,200	6,940	5,947	5,887	5,610	5,975	5,418	6,715
Library	5	-	-	-	-	-	31	41	44	17
Parks and recreation	4,103	5,328	6,110	6,367	6,281	6,138	4,389	4,900	6,236	7,182
Public health	291	340	346	369	615	429	385	721	378	521
Operating grants and contributions	788	967	3,689	1,821	7,241	2,564	10,897	4,562	3,877	16,050
Capital grants and contributions	15,022	8,168	1,819	4,468	429	424	2,912	735	4,177	112
Total governmental activities program revenues	38,951	34,044	37,612	33,857	33,226	30,580	34,585	28,283	30,333	40,982
Business-type activities:										
Charges for services:										
Water and sewer	51,271	60,310	63,914	68,876	78,920	80,911	86,814	84,392	95,926	104,338
Solid waste	12,555	13,047	13,345	14,679	14,614	14,832	15,026	15,257	16,219	17,333
Golf	1,919	-	-	-	-	-	-	-	-	-
Op grants and contributions-Solid waste	-	-	-	-	6	-	-	-	-	-
Cap grants and contributions-Water and sewer	1,551	1,549	4,032	3,416	1,974	1,046	603	613	967	627
Cap grants and contributions-Solid waste	-	-	-	41	-	-	-	-	-	-
	1,551	1,549	4,032	3,457	1,974	1,046	603	613	967	627
Total business-type activities program revenues	67,296	74,906	81,291	87,012	95,514	96,789	102,443	100,262	113,112	122,298
Total primary government program revenues	$ 106,247	$ 108,950	$ 118,903	$ 120,869	$ 128,740	$ 127,369	$ 137,028	$ 128,545	$ 143,445	$ 163,280

(Continued)

CITY OF RICHARDSON, TEXAS

Changes in Net Position (Continued)
Last ten fiscal years
(In thousands)
(Accrual basis of accounting)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Net (expense) revenue:										
Governmental activities	$ (105,566)	$ (116,212)	$ (132,769)	$ (153,378)	$ (129,824)	$ (160,003)	$ (134,105)	$ (151,484)	$ (142,371)	$ (165,750)
Business-type activities	(3,351)	2,022	3,037	1,066	4,503	104	4,624	3,928	14,253	9,334
Total primary government net expense	$ (108,917)	$ (114,190)	$ (129,732)	$ (152,312)	$ (125,321)	$ (159,899)	$ (129,481)	$ (147,556)	$ (128,118)	$ (156,416)
General revenues:										
Governmental activities:										
Taxes:										
Property	$ 68,368	$ 70,677	$ 78,761	$ 87,312	$ 96,107	$ 103,685	$ 110,279	$ 118,829	$ 120,906	$ 125,456
Sales	29,805	31,065	33,660	36,044	35,357	40,164	41,535	45,810	53,413	58,105
Other taxes	4,129	4,460	4,979	4,863	4,861	4,896	2,998	2,903	4,685	5,703
Franchise	15,039	15,647	16,058	16,446	17,415	17,331	17,184	16,601	17,975	19,287
Unrestricted interest earnings (temporary loss)	92	137	399	724	2,324	4,025	2,769	305	141	12,484
Insurance and other recoveries	-	-	-	-	-	-	-	-	-	7,784
Transfers	4,058	(2,064)	-	-	(250)	(196)	(206)	-	-	-
Gain on sale of assets	40	78	69	323	727	97	33	160	55	(525)
Contributions to permanent fund principal	-	-	-	-	-	200	1	1	14	2
Total governmental activities	121,531	120,000	133,926	145,712	156,541	170,202	174,593	184,609	197,189	228,296
Business-type activities:										
Unrestricted interest earnings (temporary loss)	23	47	109	164	458	774	683	68	(52)	2,804
Transfers	(4,058)	2,064	-	-	250	196	206	-	-	-
Gain on sale of assets	181	109	80	74	241	103	225	222	150	107
Total business-type activities	(3,854)	2,220	189	238	949	1,073	1,114	290	98	2,911
Total primary government	$ 117,677	$ 122,220	$ 134,115	$ 145,950	$ 157,490	$ 171,275	$ 175,707	$ 184,899	$ 197,287	$ 231,207
Change in net position:										
Governmental activities	$ 15,965	$ 3,788	$ 1,157	$ (7,666)	$ 26,717	$ 10,199	$ 40,488	$ 33,125	$ 54,818	$ 62,547
Business-type activities	(7,205)	4,242	3,226	1,304	5,452	1,177	5,738	4,218	14,351	12,245
Total primary government	$ 8,760	$ 8,030	$ 4,383	$ (6,362)	$ 32,169	$ 11,376	$ 46,226	$ 37,343	$ 69,169	$ 74,793

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CITY OF RICHARDSON, TEXAS

Fund Balances, Governmental Funds
Last ten fiscal years (In thousands)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Fund:										
Nonspendable	$ 882	$ 933	$ 720	$ 666	$ 595	$ 552	$ 515	$ 697	$ 688	$ 651
Assigned for	665	800	634	598	532	4,541	13,696	847	1,456	997
Unassigned	17,789	18,007	19,788	21,612	23,858	27,856	30,836	38,814	39,193	42,701
Total general fund	$ 19,336	$ 19,740	$ 21,142	$ 22,876	$ 24,985	$ 32,949	$ 45,047	$ 40,358	$ 41,337	$ 44,349
All other governmental funds:										
Reserved for:										
Unreserved, reported in:										
Non spendable:										
Property held for redevelopment and resale	$ 2,495	$ 274	$ 274	$ 274	$ -	$ -	$ -	$ -	$ -	$ -
Prepaid items	77	120	65	62	83	61	2	9	23	69
Permanent fund principal	-	-	-	-	-	200	201	202	216	237
Restricted for:										
Debt service	2,328	2,381	2,653	2,794	3,083	3,192	3,328	6,281	3,815	3,899
Library	7	26	89	-	172	-	-	1,035	-	-
Parks and recreation projects	4,101	1,156	471	836	5,371	-	2,668	1,883	132	11,330
Public services	8,692	5,544	4,800	18,978	27,683	16,359	15,631	39,000	56,441	34,248
Neighborhood vitality projects	2,509	1,745	-	-	-	-	-	-	-	-
Municipal public buildings	37	27	-	-	-	-	-	-	-	-
Capital projects	118	1,608	1,226	1,379	1,955	-	1,481	-	4,356	53,257
General government	2,561	4,415	3,921	4,432	6,164	8,380	12,021	27,351	16,511	38,480
Health/animal shelter	229	40	68	-	26	-	-	-	-	-
Public safety	1,906	2,147	3,726	26,187	44,232	49,119	32,704	5,749	2,435	1,695
Committed for:										
General government	-	-	1,211	1,873	2,734	3,716	4,370	4,179	4,609	5,496
Public services	2,743	2,841	2,557	3,208	4,357	4,027	4,128	3,898	2,028	3,240
Parks and recreation	-	-	107	195	164	219	448	1,437	559	1,104
Assigned for:										
Public services	1,507	90	2,457	1,553	1,255	1,255	5,534	22,999	20,505	15,561
Public safety	2	44	3	-	-	-	367	1,719	1,139	817
Library	-	-	-	-	-	-	-	398	36	-
Parks and recreation	65	225	767	83	77	67	2,500	4,357	2,704	1,756
Neighborhood vitality projects	65	-	-	-	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-	44	-
Capital projects	-	2,578	7,630	6,012	9,359	9,465	6,927	4,153	27,180	52,309
General government	5,405	2,120	3,179	3,026	3,770	3,625	4,776	6,771	8,274	10,781
Unassigned	-	-	-	-	-	-	(2)	(136)	(62)	-
Total all other governmental funds	$ 34,847	$ 27,381	$ 35,204	$ 70,892	$ 110,485	$ 99,685	$ 97,084	$ 131,285	$ 150,945	$ 234,279

CITY OF RICHARDSON, TEXAS

Changes in Fund Balances, Governmental Funds
Last ten fiscal years
(In thousands)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Revenues:										
Property taxes	$ 68,362	$ 70,744	$ 78,762	$ 87,317	$ 95,825	$ 103,706	$ 110,508	$ 118,421	$ 120,871	$ 125,235
Franchise taxes	15,038	15,647	16,058	16,446	17,416	17,331	17,184	16,601	17,975	19,287
Sales tax	29,805	31,065	33,660	36,044	35,357	40,164	41,535	45,810	53,413	58,105
Mixed beverage and bingo tax	464	523	543	587	616	651	545	607	729	789
Hotel/motel taxes	3,665	3,937	4,436	4,276	4,245	4,245	2,453	2,296	3,956	4,915
Drainage fees	2,582	2,702	2,755	2,754	2,765	2,817	2,842	2,891	2,889	3,228
911 revenue	1,723	1,731	1,727	1,727	1,656	1,655	1,361	1,317	1,352	1,231
Intergovernmental revenue	9,261	4,866	4,927	4,034	3,905	3,761	13,513	6,794	7,121	16,630
Licenses and permits	3,310	3,380	4,638	4,253	2,890	3,168	2,766	3,166	2,630	3,112
Fines and forfeitures	5,482	5,461	5,042	3,461	3,493	3,560	3,102	3,572	2,002	2,016
Interest revenue (temporary loss)	90	134	375	685	2,200	3,774	2,543	273	216	12,148
Civic center use	295	300	315	268	249	355	121	-	-	-
Eisemann center revenue	2,177	2,143	2,232	2,543	2,324	2,423	1,125	506	2,040	2,687
Recreation and leisure	4,091	5,302	6,064	6,336	6,227	6,094	4,341	4,827	6,101	7,159
Public safety	2,095	2,434	2,602	2,636	2,631	3,468	3,565	2,744	3,250	3,970
Contributions	615	256	261	194	431	565	171	65	85	73
Participation	272	2,257	405	-	52	38	365	433	-	-
Other	1,184	1,129	1,644	1,399	1,282	821	865	914	944	1,055
General administration	7,652	8,128	8,054	7,955	8,010	8,309	8,300	8,404	8,608	9,558
Total revenues	$ 158,163	$ 162,139	$ 174,500	$ 182,915	$ 191,574	$ 206,905	$ 217,205	$ 219,641	$ 234,182	$ 271,198
Expenditures:										
General government	37,522	37,401	45,649	60,986	37,209	50,860	37,940	48,376	45,444	52,342
Public safety	43,163	44,415	47,917	49,976	51,800	54,259	56,362	56,728	59,387	63,121
Public services	20,920	22,142	25,288	22,136	21,119	26,627	23,680	26,822	29,738	27,339
Library	3,478	3,543	3,640	3,754	3,836	3,872	4,067	3,467	3,766	4,026
Parks and recreation	11,790	14,339	14,349	15,443	15,179	15,166	13,744	14,622	15,467	16,087
Public health	1,629	1,673	1,863	1,982	2,030	2,015	1,878	1,754	1,844	2,120
General administration	1,565	2,028	2,013	1,058	1,082	1,106	1,108	1,111	1,400	1,318
Capital outlay	40,698	38,419	28,386	29,967	48,420	62,652	44,637	35,277	37,655	64,412
Debt service:										
Principal retirement	17,901	19,300	19,860	24,614	26,685	27,490	29,525	28,830	35,815	34,830
Interest and fiscal charges	10,608	10,344	11,316	10,950	12,478	14,911	14,413	13,920	12,764	13,311
Payments for other obligations	1,215	902	2,584	2,954	4,838	5,258	4,812	5,583	5,666	4,785
Issuance costs	119	541	342	509	564	394	493	372	233	682
Total expenditures	$ 190,608	$ 195,047	$ 203,207	$ 224,329	$ 225,240	$ 264,610	$ 232,659	$ 236,862	$ 249,179	$ 284,373
Deficiency of revenues under expenditures	(32,445)	(32,908)	(28,707)	(41,414)	(33,666)	(57,705)	(15,454)	(17,221)	(14,997)	(13,175)

(Continued)

Table 4

CITY OF RICHARDSON, TEXAS
Changes in Fund Balances, Governmental Funds
Last ten years fiscal years
(continued)
(In thousands)
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Other financing sources (uses):										
Transfers in	$ 4,594	$ 6,503	$ 10,011	$ 9,610	$ 9,961	$ 10,476	$ 14,857	$ 30,872	$ 30,212	$ 31,336
Transfers out	(5,652)	(9,531)	(10,011)	(9,610)	(9,961)	(10,476)	(14,857)	(30,872)	(30,212)	(31,336)
Issuance of certificates of obligation	12,500	17,270	4,045	30,930	26,290	20,990	6,055	18,610	1,305	33,580
Issuance of general obligation bonds	-	-	8,265	19,725	38,525	16,790	15,015	12,630	28,915	43,885
Issuance of refunding bonds	-	45,741	14,020	-	-	-	40,425	-	-	-
Issuance of other obligations	13,789	10,654	22,252	26,042	5,667	14,498	2,076	12,855	3,354	5,982
Premium/discount on bonds	34	277	2,720	1,660	3,946	1,866	9,137	2,181	1,111	7,541
Payment to refunded bond escrow agent	-	(45,341)	(15,904)	-	-	-	(48,241)	-	-	-
Insurance and other recoveries	10	190	2,459	137	182	598	310	231	886	7,791
Proceeds from sale of capital assets	51	84	74	342	758	127	174	226	64	744
Total other financing sources	25,326	25,847	37,931	78,836	75,368	54,869	24,951	46,733	35,635	99,523
Net change in fund balances	$ (7,119)	$ (7,061)	$ 9,224	$ 37,422	$ 41,702	$ (2,836)	$ 9,497	$ 29,512	$ 20,638	$ 86,348
Debt service as a percentage of non-capital expenditures	19.02 %	18.93 %	17.83 %	18.30 %	22.15 %	20.99 %	23.37 %	21.21 %	22.97 %	21.89 %

Table 5

CITY OF RICHARDSON, TEXAS
Assessed Value and Estimated Actual Value of Taxable Property
Last ten fiscal years
(unaudited)

Fiscal year ended September 30	Residential property	Commercial property	Industrial property	Less total exemptions/ reductions	Total taxable assessed value (1)	Total direct tax rate
2014	$ 5,120,141,991	$ 6,555,445,029	$ 864,733,351	$ 2,098,603,635	$ 10,441,716,736	0.63516
2015	5,361,295,791	6,859,193,040	909,835,399	2,322,046,075	10,808,278,155	0.63516
2016	5,742,269,842	8,281,055,896	748,742,290	3,231,115,761	11,540,952,267	0.63516
2017	6,565,413,521	9,497,512,380	754,632,663	3,818,620,376	12,998,938,188	0.62516
2018	7,194,755,916	10,509,751,876	790,424,823	4,410,302,957	14,084,629,658	0.62516
2019	8,097,909,289	11,047,973,089	906,275,735	4,878,398,254	15,173,759,859	0.62516
2020	8,480,364,539	12,298,386,470	860,767,880	5,363,499,560	16,276,019,329	0.62516
2021	8,601,187,678	12,826,442,876	555,893,645	5,366,562,279	16,616,961,920	0.62516
2022	9,048,103,417	13,412,313,024	539,281,873	5,306,504,226	17,693,194,088	0.61516
2023	10,349,941,255	15,695,227,208	540,483,940	6,794,637,052	19,791,015,351	0.56095

Source: Dallas and Collin County Central Appraisal District, and the City's Tax Department.

(1) Net of Tax Increment Financing (TIF) Districts values and values in dispute at the time of certification.

Table 6

CITY OF RICHARDSON, TEXAS

Direct and Overlapping Property Tax Rates
Last ten fiscal years
(Per $100 of assessed value)
(unaudited)

	City direct rates			Overlapping rates								
Fiscal year	Operations and maintenance rate	Interest and sinking rate	Total	Richardson ISD	Collin County	Collin College	Plano ISD	Garland ISD	Dallas County	Dallas County Hospital District	Dallas College	Dallas County School Equalization Fund
2014	$ 0.365310	$ 0.269850	$ 0.635160	$ 1.340050	$ 0.237500	$ 0.083643	$ 1.453000	$ 1.253300	$ 0.243100	$ 0.276000	$ 0.124700	$ 0.010000
2015	0.370310	0.264850	0.635160	1.340050	0.235000	0.081960	1.448000	1.253300	0.243100	0.286000	0.124775	0.010000
2016	0.380310	0.254850	0.635160	1.340050	0.225000	0.081960	1.439000	1.353300	0.243100	0.286000	0.123650	0.010000
2017	0.370310	0.254850	0.625160	1.390050	0.208395	0.081222	1.439000	1.460000	0.243100	0.279400	0.122933	0.009271
2018	0.370310	0.254850	0.625160	1.390050	0.192246	0.079810	1.439000	1.460000	0.243100	0.279400	0.124238	0.010000
2019	0.374130	0.251030	0.625160	1.520000	0.180785	0.081222	1.439000	1.460000	0.243100	0.279400	0.124000	0.010000
2020	0.381240	0.243920	0.625160	1.418350	0.174951	0.081222	1.337350	1.390000	0.243100	0.269500	0.124000	0.010000
2021	0.381240	0.243920	0.625160	1.404700	0.172531	0.081222	1.323750	1.256300	0.239740	0.266100	0.124000	0.010000
2022	0.377210	0.237950	0.615160	1.390900	0.168070	0.081220	1.320750	1.256300	0.227946	0.255000	0.123510	0.010000
2023	0.343160	0.217790	0.560950	1.314600	0.152443	0.081220	1.259750	1.172500	0.217946	0.235800	0.115899	0.010000

Source: Dallas County Central Appraisal District, Collin County Central Appraisal District, and the City's records.
Notes: Tax rates are per $100 of assessed value.

Table 7

CITY OF RICHARDSON, TEXAS
Principal Property Taxpayers
Current year and nine years ago
(unaudited)

	2023			2014		
Name of Taxpayer	**Taxable assessed value (a)**	**Rank**	**Percentage of total city taxable assessed value (b)**	**Taxable assessed value (a)**	**Rank**	**Percentage of total city taxable assessed value (c)**
Texas Instruments	$ 991,093,994	1	4.49 %	$ 95,722,725	10	0.89 %
Corporate Technology Park Partners	714,253,292	2	3.24	-		-
Collins Technology Park Partners	530,817,130	3	2.41	149,931,630	4	1.40
Bank of America	418,150,120	4	1.89	236,224,713	1	2.21
Health Care Service Corporation	347,480,635	5	1.57	222,606,231	2	2.08
Qorvo	347,007,005	6	1.57	-		-
Cisco Systems	226,718,584	7	1.03	209,269,733	3	1.95
Linkedin	221,816,250	8	1.01	-		-
Verizon	191,322,063	9	0.87	132,774,845	5	1.24
Northside Campus Partners	184,921,813	10	0.84	-		-
Champion Partners	-	-	-	116,119,082	6	1.08
AT&T	-	-	-	107,249,758	7	1.00
Fujitsu	-	-	-	105,695,813	8	0.99
IBM	-	-	-	104,168,636	9	0.97
Total	$ 4,173,580,886		18.92 %	$ 1,479,763,166		13.81 %

Source: Dallas County Central Appraisal District, Collin County Central Appraisal District, and City records.
Note:

(a) Includes TIF values

(b) Total Taxable Value October 1, 2022 = $19,791,015,351

(c) Total Taxable Value October 1, 2013 = $10,441,716,736

Table 8

CITY OF RICHARDSON, TEXAS
Property Taxes Levies and Collections
Last ten fiscal years
(unaudited)

				Collected within the fiscal year of the levy			Total collections to date	
Fiscal year ended September 30	**Taxes Levied for the Fiscal Year (1)**	**Subsequent Adjustments & Subsequent Collections**	**Total Adjusted Levy at 9/30/23**	**Amount**	**Percentage of Taxes Levied for the Fiscal Year**	**Collections in subsequent years**	**Amount**	**Percentage of Adjusted Levy**
2015	$ 70,561,704	$ (37,660)	$ 70,524,044	$ 70,275,798	99.59 %	$ 188,999	$ 70,464,797	99.92 %
2016	78,509,994	(208,482)	78,301,512	78,176,975	99.58	37,595	78,214,570	99.89
2017	87,404,711	(114,627)	87,290,084	87,087,236	99.64	91,915	87,179,151	99.87
2018	97,013,107	(651,758)	96,361,349	96,535,083	99.51	(309,771)	96,225,312	99.86
2019	106,052,791	(613,284)	105,439,507	105,475,738	99.46	(204,795)	105,270,943	99.84
2020	113,980,138	(733,073)	113,247,065	113,752,271	99.80	(708,629)	113,043,642	99.82
2021	121,211,637	(528,796)	120,682,841	120,738,397	99.61	(295,391)	120,443,006	99.80
2022	122,716,964	(284,861)	122,432,103	122,238,084	99.61	(95,219)	122,142,865	99.76
2023	127,160,708	-	127,160,708	126,579,216	99.54	-	126,579,216	99.54

(1) Taxes levied for the fiscal year include the certified roll plus any adjustments that occur in the fiscal year that the taxes are due.

Source: Dallas and Collin County Tax Offices, and the City's Tax Department.

Table 9

CITY OF RICHARDSON, TEXAS

Ratios of Outstanding Debt by Type (1)
Last ten fiscal years
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
General obligation bonds	$ 178,185,000	$ 160,715,000	$ 154,310,000	$ 159,740,000	$ 181,910,000	$ 181,100,000	$ 156,265,000	$ 152,665,000	$ 167,815,000	$ 186,655,000
General obligation bonds from direct borrowings	3,264,602	1,954,259	639,412	-	-	-	15,015,000	15,015,000	4,445,000	2,285,000
Certificates of obligation (2)	21,550,000	21,535,000	19,710,000	36,510,000	55,915,000	71,610,000	68,615,000	80,635,000	73,585,000	99,805,000
Certificates of obligation from direct borrowings (2)	5,600,000	17,025,000	17,025,000	21,475,000	18,030,000	13,435,000	8,885,000	2,875,000	-	-
Unamortized premium/(discount)	12,131,942	15,950,679	16,398,001	16,341,255	18,389,067	18,212,785	21,165,144	20,836,143	19,340,476	24,194,872
Total general obligation bonds and general obligation bonds from direct borrowings	220,731,544	217,179,938	208,082,413	234,066,255	274,244,067	284,357,785	269,945,144	272,026,143	265,185,476	312,939,872
TIF obligation (3)	31,964,048	41,506,816	62,451,680	86,132,860	87,571,447	97,049,085	92,983,493	94,838,897	90,625,573	86,775,295
Tax Notes	-	-	-	-	-	-	-	5,855,000	5,605,000	5,340,000
Lease obligation	-	-	-	-	-	-	-	-	2,041,850	6,021,634
SBITA obligation	-	-	-	-	-	-	-	-	-	6,048,098
Other obligations	3,622,492	3,832,124	2,554,995	1,962,228	1,352,943	1,115,324	2,444,931	2,006,319	1,934,383	1,503,014
Total TIF and other obligations	35,586,540	45,338,940	65,006,675	88,095,088	88,924,390	98,164,409	95,428,424	102,700,216	100,206,806	105,688,041
Total governmental activities	$ 256,318,084	$ 250,062,379	$ 256,318,084	$ 262,518,878	$ 273,089,088	$ 322,161,343	$ 363,168,457	$ 382,522,194	$ 365,373,568	$ 374,726,359

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) In FY 2014, this table was restated to include the unamortized premium and discount for all years presented. These components are generated as part of debt issuance, and are amortized as non-cash interest expense over the life of the debt.

(2) In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts.

(3) Tax increment financing (TIF) is used to finance public improvements within defined areas for economic development. The developer incurs the costs to install the necessary public infrastructure and other public improvements. The City reimburses the developer based on the increased tax increments within the TIF boundaries over the contracted period. The City's liability to the developer lasts until paid in full or expiration of TIF zone contract.

(4) See Table 13 for personal income and population data.

(Continued)

Table 9

CITY OF RICHARDSON, TEXAS

Ratios of Outstanding Debt by Type (1)
Last ten fiscal years
(Unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
BUSINESS-TYPE ACTIVITIES										
General obligation refunding bonds (2)	$ 16,805,000	$ 17,410,000	$ 21,495,000	$ 19,095,000	$ 16,480,000	$ 13,490,000	$ 16,900,000	$ 15,720,000	$ 12,660,000	$ 10,165,000
General obligation bonds from direct borrowings (2)	360,398	215,741	70,588	-	-	-	-	-	-	-
Certificates of obligation	35,075,000	32,570,000	25,680,000	28,275,000	32,860,000	39,835,000	38,130,000	47,600,000	58,330,000	70,240,000
Unamortized premium/(discount)	1,694,323	2,080,380	3,261,227	3,189,744	3,414,645	3,616,732	5,709,171	6,671,905	6,694,430	7,810,811
Total general obligation bonds and general obligation bonds from direct borrowings	$ 53,934,721	$ 52,276,121	$ 50,506,815	$ 50,559,744	$ 52,754,645	$ 56,941,732	$ 60,739,171	$ 69,991,905	$ 77,684,430	$ 88,215,811
Total business-type activities	$ 53,934,721	$ 52,276,121	$ 50,506,815	$ 50,559,744	$ 52,754,645	$ 56,941,732	$ 60,739,171	$ 69,991,905	$ 77,684,430	$ 88,215,811
Total primary government	$ 310,252,805	$ 314,794,999	$ 323,595,903	$ 372,721,087	$ 415,923,102	$ 439,463,926	$ 426,112,739	$ 444,718,264	$ 443,076,712	$ 506,843,724
% of personal income (4)	9.2 %	8.9 %	9.0 %	10.0 %	10.9 %	10.9 %	9.4 %	10.9 %	11.2 %	10.5 %
Per capita (4)	$ 3,047	$ 3,073	$ 3,103	$ 3,470	$ 3,776	$ 3,865	$ 3,685	$ 3,722	$ 3,598	$ 4,134

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) In FY 2014, this table was restated to include the unamortized premium and discount for all years presented. These components are generated as part of debt issuance, and are amortized as non-cash interest expense over the life of the debt.

(2) In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts.

(3) Tax increment financing (TIF) is used to finance public improvements within defined areas for economic development. The developer incurs the costs to install the necessary public infrastructure and other public improvements. The City reimburses the developer based on the increased tax increments within the TIF boundaries over the contracted period. The City's liability to the developer lasts until paid in full or expiration of TIF zone contract.

(4) See Table 13 for personal income and population data.

Table 10

CITY OF RICHARDSON, TEXAS

Ratios of General Bonded Debt Outstanding (1)
Last ten fiscal years
(unaudited)

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES										
General obligation bonds	$ 178,185,000	$ 160,715,000	$ 154,310,000	$ 159,740,000	$ 181,910,000	$ 181,100,000	$ 156,265,000	$ 152,665,000	$ 167,815,000	$ 186,655,000
General obligation bonds from direct borrowings	3,264,602	1,954,259	639,412	-	-	-	15,015,000	15,015,000	4,445,000	2,285,000
Certificates of obligation (3)	21,550,000	21,535,000	19,710,000	36,510,000	55,915,000	71,610,000	68,615,000	80,635,000	73,585,000	99,805,000
Certificates of obligation from direct borrowings (3)	5,600,000	17,025,000	17,025,000	21,475,000	18,030,000	13,435,000	8,885,000	2,875,000	-	-
Unamortized premium/(discount)	12,131,942	15,950,679	16,398,001	16,341,255	18,389,067	18,212,785	21,165,144	20,836,143	19,340,476	24,194,872
Total general obligation bonds and general obligation bonds from direct borrowings	220,731,544	217,179,938	208,082,413	234,066,255	274,244,067	284,357,785	269,945,144	272,026,143	265,185,476	312,939,872
BUSINESS-TYPE ACTIVITIES										
General obligation refunding bonds (3)	16,805,000	17,410,000	21,495,000	19,095,000	16,480,000	13,490,000	16,900,000	15,720,000	12,660,000	10,165,000
General obligations bonds from direct borrowings (3)	360,398	215,741	70,588	-	-	-	-	-	-	-
Certificates of obligation	35,075,000	32,570,000	25,680,000	28,275,000	32,680,000	39,835,000	38,130,000	47,600,000	58,330,000	70,240,000
Unamortized premium/(discount)	1,694,323	2,080,380	3,261,227	3,189,744	3,414,645	3,616,732	5,709,171	6,671,905	6,694,430	7,810,811
Total general obligation bonds and certificates of obligation (3)	53,934,721	52,276,121	50,506,815	50,559,744	52,574,645	56,941,732	60,739,171	69,991,905	77,684,430	88,215,811
Total primary government	$ 274,666,265	$ 269,456,059	$ 258,589,228	$ 284,625,999	$ 326,818,712	$ 341,299,517	$ 330,684,315	$ 342,018,048	$ 342,869,906	$ 401,155,683
% of actual taxable value of property (2)	2.6 %	2.5 %	2.2 %	2.1 %	2.3 %	2.2 %	2.0 %	2.1 %	1.9 %	2.0 %
Per capita	$ 2,698	$ 2,631	$ 2,479	$ 2,650	$ 2,967	$ 3,001	$ 2,860	$ 2,863	$ 2,797	$ 3,272

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

(1) In FY 2014, this table was restated to include the unamortized premium and discount for all years presented. These components are generated as part of debt issuance, and are amortized as non-cash interest expense over the life of the debt.

(2) See table 5 for property value data.

(3) In FY 2019, this table was restated to separate out direct borrowings from debt in accordance with GASB 88. There was no change in the total outstanding debt amounts

CITY OF RICHARDSON, TEXAS
Direct and Overlapping Governmental Activities Debt
September 30, 2023
(unaudited)

Government unit	Debt outstanding	Estimated percentage applicable (1)	Estimated share of overlapping debt	
Debt repaid with property taxes:				
Richardson Independent School District	$ 933,635,000	36.60 %	$ 341,710,410	
Plano Independent School District	992,285,000	15.24	151,224,234	
Dallas County	217,675,000	3.28	7,139,740	
Dallas County Hospital District	543,495,000	3.28	17,826,636	
Dallas County Community College District	375,515,000	3.28	12,316,892	
Garland Independent School District	1,237,005,000	0.07	865,904	
Collin County	721,825,000	5.14	37,101,805	
Collin County Community College District	480,350,000	5.14	24,689,990	
Subtotal, overlapping debt			592,875,611	
City direct debt			374,490,000	(2)
Total direct and overlapping bonded debt			$ 967,365,611	

(1) Estimated percentage applicable to the City is calculated by taking each entity's taxable values within the City and dividing by the total taxable value for that entity.

(2) Includes unamortized premium and discounts of $24,194,872 and tax notes, financed purchases and other contractual obligations, lease obligations, SBITA obligations, and TIF obligations of $105,688,041. Amounts for other governmental units only include the value of bonded debt outstanding.

Source: Hilltop Securities Inc.

CITY OF RICHARDSON, TEXAS
Legal Debt Margin Information
Last ten fiscal years
(unaudited)

Year		Debt Limit	Total net debt applicable to limit (1)	Legal Debt Margin	Estimated share of overlapping debt
2014		$ 1,451,488,433	$ 233,279,620	$ 1,218,208,813	16.07%
2015		1,452,124,244	223,036,472	1,229,087,772	15.36
2016	(2)	1,493,821,784	214,000,450	1,279,821,334	14.33
2017		1,566,257,510	208,599,602	1,357,657,908	13.32
2018		1,621,241,723	201,229,259	1,420,012,464	12.41
2019		N/A	N/A	N/A	N/A
2020		N/A	N/A	N/A	N/A
2021		N/A	N/A	N/A	N/A
2022		N/A	N/A	N/A	N/A
2023		N/A	N/A	N/A	N/A

(1) Does not include premiums, discounts or other obligations as these amounts do not apply to the City's debt limit.

(2) As of November, 2015 the City's Charter was amended to include a Tax Rate Limitation that stipulates that the City may borrow money for permanent public improvements or any other legitimate purpose as may be determined by the City Council, in accordance with the Constitution and the laws of the State of Texas. The Constitution places a limit on the ad valorem tax rate that may be levied for repayment of the ad valorem tax debt, but there is no formal limit on the amount of ad valorem debt that may be borrowed. Prior to the 2015 charter election, the City's limit was equal to 15 percent of the assessed value of the tax roll.

CITY OF RICHARDSON, TEXAS
Demographic and Economic Statistics
Last ten calendar years
(unaudited)

Calendar Year	Estimated Population (1)	Personal income (thousands of dollars)	Per capita personal income (2)	Median age (2)	School enrollment		Unemployment rate (%) (5)
					R.I.S.D.(3)	P.I.S.D.(4)	
2014	101,820	$ 3,355,784	$ 32,958	36.2	38,283	54,839	4.5 %
2015	102,430	3,547,868	34,637	37.6	38,618	54,818	3.5
2016	104,300	3,612,639	34,637	37.6	38,792	54,818	3.7
2017	107,400	3,720,014	34,637	37.6	39,272	53,952	3.0
2018	110,140	3,814,919	34,637	37.6	39,314	53,952	3.5
2019	113,710	4,046,256	35,584	37.6	39,103	53,085	3.2
2020	119,469	4,828,698	34,637	35.6	39,619	52,629	5.5
2021	120,640	4,828,698	40,026	35.6	38,787	50,405	3.8
2022	122,574	4,952,809	40,406	35.1	37,633	49,055	3.0
2023	122,615	5,309,843	43,305	35.0	37,260	49,035	3.0

Sources:

(1) NCTCOG as of April for each year. 2021 and 2022 population numbers previously from US Census Bureau are updated to show NCTCOG's revised estimates.

(2) Information regarding 2014-2022 was compiled from the Richardson Economic Development Partnership. Data for 2023 is compiled from the Richardson Economic Development Department. 2021 and 2022 per capita personal income recalculated to incorporate NCTCOG's revised population estimates.

(3) School Enrollment - Richardson Independent School District.

(4) School Enrollment - Plano Independent School District.

(5) Unemployment - Texas Workforce Commission Website.

Note: The City of Richardson is located in both Dallas and Collin Counties. School children residing in Dallas County are enrolled in the Richardson Independent School District while those residing in Collin County are enrolled in the Plano Independent School District.

CITY OF RICHARDSON, TEXAS
Principal Employers
Current year and nine years ago
(unaudited)

	2023			2014		
Employer	**Employees (1)**	**Rank**	**Percentage of total city employment (2)**	**Employees (3)**	**Rank**	**Percentage of total city employment (4)**
State Farm Insurance	10,000	1	7.87 %	4,000	2	3.13 %
RISD	5,729	2	4.51	2,500	5	1.96
University of Texas Dallas	3,455	3	2.72	2,674	4	2.09
Blue Cross & Blue Shield of Texas	3,100	4	2.44	-		-
Geico	2,300	5	1.81	-		-
Raytheon	2,200	6	1.73	-	-	-
RealPage	2,100	7	1.65	-		-
Cisco Systems	2,000	8	1.57	1,200	10	0.94
Texas Instruments	1,800	9	1.41	-		-
United Healthcare	1,700	10	1.34	1,700	7	1.33
AT&T	-		-	5,000	1	3.91
Blue Cross and Blue Shield	-		-	3,100	3	2.43
Verizon Business	-	-	-	2,250	6	1.76
Fujitsu	-	-	-	1,500	8	1.17
Fossil Inc	-	-	-	1,400	9	1.10
Total	34,384		27.05 %	25,324		19.82 %

Source:

(1) Richardson Economic Development Department as of December 2023.

(2) 2014 information compiled from the Richardson Economic Development Partnership. The Richardson Economic Development Department totaled city employment at 126,947 as of September, 2023.

(3) Richardson Economic Development Partnership as of September, 2014.

(4) NCTCOG as of September, 2014 total city employment was approximately 127,716.

(5) RISD Employment number is district-wide as of January 2023.

Table 15

CITY OF RICHARDSON, TEXAS
Full-Time Equivalent City Government Employees by Function/Program
Last ten fiscal years
(unaudited)

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General government	149	153	153	152	165	168	159	179	158	160
Public safety	397	411	419	428	432	432	433	432	449	448
Public services	156	154	156	156	141	148	163	165	164	155
Library	29	30	30	30	30	30	30	29	30	30
Parks and recreation (1)	77	94	95	95	101	101	95	100	92	92
Public health	17	17	18	18	18	18	18	19	21	21
Water	66	68	70	70	72	73	76	68	64	68
Wastewater	12	12	12	14	14	15	12	12	12	16
Solid waste	70	71	71	71	71	71	71	73	70	71
Golf (1)	14	-	-	-	-	-	-	-	-	-
Total	987	1,010	1,024	1,034	1,044	1,056	1,057	1,077	1,060	1,061

(1) In FY 2015, the Golf function was reclassified into the Parks and Recreation function.
Source: City Budget Office.

Table 16

CITY OF RICHARDSON, TEXAS
Operating Indicators by Function/Program
Last ten fiscal years
(unaudited)

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety:										
Police: Number of employees	245	253	258	263	267	267	268	241	267	270
Fire: Number of employees	152	158	161	165	166	165	165	169	165	175
Municipal court:										
Number of violations (citations)	43,144	39,042	32,313	31,338	36,269	37,242	27,272	26,985	14,558	12,903
Public services:										
Asphalt repairs (tons) (1)	572	600	662	775	718	897	548	900	900	790
Concrete replacement (yards) (1)	3,806	3,118	2,382	2,359	2,234	1,743	1,804	1,560	1,364	1,343
Parks and recreation: Acreage (6)	865	870	873	900	900	900	900	900	900	1,099
Library: Volumes in collection (5)	-	252,261	252,789	256,620	255,904	260,881	275,138	280,183	276,965	287,390
Water and sewer:										
Number of water consumers	32,895	33,046	33,249	33,427	33,424	33,549	33,532	33,617	33,627	33,744
Average daily water consumption (thousands of gallons) (2)	19,148	22,478	21,920	22,522	24,203	22,773	23,372	22,579	25,984	29,276
Number of sewer consumers	29,533	29,681	29,869	29,983	30,016	30,121	30,119	30,170	30,144	30,227
Solid waste:										
Residential refuse collected (tons/day)(4)	136	188	163	151	132	140	133	131	135	132
Bulky/brush pickups (tons/day) (4)	71	36	37	24	23	34	34	30	24	21
Recyclables collected (tons/day)	26	26	27	19	20	20	20	20	19	17
Golf: Number of rounds played (3)	71,488	47,893	68,823	74,355	72,451	74,577	95,689	93,352	94,499	97,403

(1) Asphalt repairs were reduced in FY 2014 when public services began a new program focusing on full concrete replacement rather than asphalt overlays.
(2) In FY 2014, average daily water consumption decreased due to watering restrictions in a drought year.
(3) Course 1 was closed from February 1, 2015 through October 16, 2015.
(4) Beginning in FY 2015, refuse includes other bulky trash that is not composted.
(5) Library: Volumes in collection restated for FY 2013-2020.
(6) In FY 2023, a Parks, Recreation and Open Space Master Plan was updated that reassessed acreage.
Source: City Departments

Table 17

CITY OF RICHARDSON, TEXAS
Capital Asset Statistics by Function/Program
Last ten fiscal years
(unaudited)

Function/program	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Public safety:										
Police stations	2	2	2	2	2	2	2	2	2	2
Police patrol units	50	46	43	43	45	48	48	48	45	49
Volunteer patrol units	3	3	3	3	3	3	3	3	2	2
Fire stations	6	6	6	6	6	6	6	6	6	6
Public works:										
Streets - paved (miles)	411	587	590	590	591	591	592	592	593	593
Alleys - paved (miles)	222	222	223	223	223	223	223	223	223	223
Sidewalks (miles)	678	678	680	683	696	697	703	703	706	734
Streetlights (1)	6,241	6,288	6,301	6,301	6,301	6,301	6,301	6,301	6,301	8,353
Parks and recreation:										
Parks	33	35	36	38	38	38	38	38	39	39
Playgrounds	30	31	31	32	32	32	32	32	32	32
Swimming pools	5	5	5	5	5	5	5	5	5	5
Tennis courts	32	32	32	32	32	32	32	32	32	30
Recreation centers	2	2	2	2	2	2	2	2	2	2
Senior center	1	1	1	1	1	1	1	1	1	1
Water:										
Water mains (miles)	581	581	585	585	585	585	545	578	580	580
Fire hydrants	4,359	4,419	4,522	4,609	4,630	4,666	4,688	4,778	4,808	4,830
Wastewater:										
Sanitary sewers (miles) (2)	503	503	503	503	503	503	417	425	427	435

(1) Starting in FY 2023, Streetlight totals include lighting within tunnels.

(2) Starting in FY 2021, the wastewater sanitary sewer miles reported were restated to exclude abandoned lines.

Source: City Departments

CITY OF RICHARDSON, TEXAS

Schedule of Pension Benefits Funding Progress (1)

Last ten fiscal years

(unaudited)

			(a)	(b)	(c)	(d)		(e)	
Actuarial valuation date		**Fiscal Year**	**Actuarial value of assets**	**Actuarial accrued liabilty (AAL)**	**Funded ratio (%) (a)/(b)**	**Unfunded ALL (UAAL) (b)-(a)**	**Equivalent Single Amortization period in years**	**Annual covered payroll (2)**	**UAAL as a percentage of covered payroll (%) (d)/(e) (2)**
12/31/13	(3)	2014	$ 169,208,373	$ 262,453,428	64.47 %	$ 93,245,055	25	$ 54,789,624	170.19 %
12/31/14		2015	176,026,211	276,540,082	63.65	100,513,871	17	58,633,974	171.43
12/31/15		2016	313,084,736	359,151,109	87.17	46,066,373	16	58,251,916	79.08
12/31/16		2017	444,939,761	501,315,736	88.75	56,375,975	15	70,066,638	80.46
12/31/17		2018	469,640,036	522,622,710	89.86	52,982,674	14	72,840,621	72.74
12/31/18		2019	490,140,485	545,089,671	89.92	54,949,186	14	75,570,212	72.71
12/31/19		2020	513,963,111	566,908,565	90.66	52,945,454	13	77,952,017	67.92
12/31/20		2021	540,803,854	586,368,152	92.23	45,564,298	12	78,960,617	57.71
12/31/21		2022	568,808,555	613,057,391	92.78	44,248,836	11	78,289,774	56.52
12/31/22		2023	584,747,116	639,144,394	91.49	54,397,278	11	79,812,406	68.16

(1) This schedule shows the pension benefit on a funding basis, as reported by TMRS each year. The funding basis, which is used to determine the City's annual contribution rate, uses an actuarial value for plan assets rather than a market value. This data is used to show ongoing funding progress of the plan with the normal cyclical swings of the stock market average out next year.

(2) Covered annual payroll and UAAL as a percentage of covered payroll are based on the fiscal year. The rest of the information is provided by TMRS on a calendar year basis.

(3) In 2013, the TMRS Board, in preparation for implementation of GASB Statement No, 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27, changed the actuarial cost method to entry age normal and updated post-retirement mortality assumptions. These changes were incorporated into the TMRS 2013 actuarial valuation which had the net effect of reducing the City's funded ratio and reducing the remaining amortization period from 25.3 to 17 years for the City's fiscal year 2014.

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